
EXHIBIT Z

RESPONSES TO STANDARD DATA REQUESTS

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

Rates/Ratemaking

1. Estimate the potential monthly incremental cost impact on existing and acquired customers following the actual results of the Buyer's most recently adjudicated base rate proceeding, whether litigated or settled, allocating the fair market value of the acquired system according to the Buyer's previously approved single-tariff pricing model.
 - a. In the case of a wastewater acquisition, a Buyer that employs a combined revenue requirement pursuant to 66 Pa. C.S. § 1311 will provide information assuming a combined water and wastewater revenue requirement consistent with its most recent adjudicated base rate proceeding.
 - b. If a Buyer has filed the thirty-day notice of 52 Pa. Code § 53.45(a), or has filed a rate case, it should calculate the above using data as proposed in its upcoming or filed rate case.

Response: Regarding a. and b. above, please refer to Appendix A of Aqua Statement No. 1, Direct Testimony of William C. Packer, included as Exhibit U to the Application.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: August 3, 2021

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Rates/Ratemaking

2. If the Buyer has a present intention to increase the acquired system's rates to a certain level, please state the basis for the targeted rate.

Response: Aqua has no present intention to increase Willistown Township rates to a targeted rate.

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Rates/Ratemaking

3. Provide the annual depreciation expense using the purchase price/proposed rate base. If the exact depreciation expense is not available, provide the best estimate of the annual depreciation expense. Show how the depreciation expense is calculated.

Response: Please refer to Appendix A of Aqua Statement No. 1, Direct Testimony of William C. Packer, included as Exhibit U to the Application.

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Rates/Ratemaking

4. Provide an estimate of the annual revenue requirement of the municipal system under the Buyer's ownership. Provide the assumptions for the annual revenue requirement, including expected rate of return, expected depreciation expense, O&M expenses, etc.

Response: Please refer to Appendix A of Aqua Statement No. 1, Direct Testimony of William C. Packer, included as Exhibit U to the Application.

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Rates/Ratemaking

5. Other than the STAS, does Buyer’s current water/wastewater tariff include any provisions that would fall under “pass-through costs or charges imposed by the Commonwealth of Pennsylvania”?

Response: Aqua has a Distribution System Improvement Charge (DSIC) in its current wastewater tariff.

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Rates/Ratemaking

6. Provide a listing of any entities that currently receive free service from the Seller.

Response: Willistown Township currently provides free service to two parks within Willistown Township, Mill Park and Greentree Park.

Willistown had provided the attached letter acknowledging that free service will cease at the Closing of the Proposed Transaction.



*Board of Supervisors of Willistown Township
Chester County*

688 Sugartown Road, Malvern, PA 19355
Phone: 610.647.5300 Fax: 610.647.8156

August 3, 2021

VIA E-MAIL ONLY

Krista D. Weeks
Manager, Business Development
Aqua Wastewater Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
KDWeeks@aquaamerica.com

Re: Willistown Township
Municipal Facilities – Free Sewer Service

Dear Krista,

As requested, and on behalf of Willistown Township (the "Township"), please let this letter serve as notice of the Township's understanding that, if the proposed sale of the Township's sewer system to Aqua Wastewater Pennsylvania, Inc. is consummated, free future sewer service to the following two (2) Township-owned properties will terminate.

- Greentree Park, located at 18 Grubb Rd, Malvern, PA 19355; and
- Mill Park, located at 1 Mill Rd, Malvern, PA 19355.

Please contact me if you require anything else.

Sincerely,



Sally Slook
Township Manager

cc: Timothy F. Sullivan, Esq., tsullivan@tfsullivanlaw.com
Thomas S. Wyatt, Esq., thomas.wyatt@obermayer.com

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Rates/Ratemaking

7. In the next rate case, does buyer anticipate including the acquired system in a combined revenue requirement?

Response: Aqua anticipates including the Willistown system in a combined revenue requirement in the next rate case.

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Rates/Ratemaking

8. If Seller has increased rates in the last year, please state the date of the increase and provide a copy of the new rate schedule and the total annual revenues produced under the new rates.

Response: Willistown Township has not increased rates in the last year.

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Rates/Ratemaking

9. Are there any leases, easements, and access to public rights-of-way that Buyer will need in order to provide service which will not be conveyed at closing? If yes, identify when the conveyance will take place and whether there will be additional costs involved.

Response: The Company is not presently aware of any needed leases, easements or access to public rights-of-way that will not be transferred at closing. The mapping of easements and right of ways from the Township's Abstractor's report is not yet complete.

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

Costs/Benefits

10. Provide a breakdown of the estimated transaction and closing costs. Provide invoices to support any transaction and closing costs that have already been incurred.

Response: The estimated total transaction and closing costs are included in the application at paragraph 57. Please see below for a breakdown of costs projected through closing. Please see Application Exhibit S1 for Gannett UVE invoices. Please see the attachments to SDR-10 for copies of other invoices incurred to date on the Application.

Legal	\$210,850
UVE	\$75,000
Engineering Assessment	\$14,150
Total	\$300,000

The costs shown above are estimated costs and are subject to change.



INVOICE

Remit Payment To:
Pennoni Associates Inc.
P.O. Box 827328
Philadelphia, PA 19182-7328

Thomas, F. Rafferty
Director of Business Development
Aqua Pennsylvania
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Invoice No : 1065723
Invoice Date : 04/01/2021
Project : WLTPX20104
Project Name : Sewer System
Engineering
Assessment

For Services Rendered Through 02/28/2021

From NTP to 2/28/2021

Seller Contact: Sally Slook, Township Manager, Willistown Township
AQUA Pennsylvania Contact: Thomas F. Rafferty, Director of Business Development

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit & Inventory Facilities	\$7,700.00	\$0.00	75.00%	\$5,775.00	\$5,775.00
02 -- Determine Original Costs of Assets	\$7,200.00	\$0.00	30.00%	\$2,160.00	\$2,160.00
03 -- Facilities Assessment	\$7,400.00	\$0.00	35.00%	\$2,590.00	\$2,590.00
04 -- Prepare Assessment Report	\$5,900.00	\$0.00	20.00%	\$1,180.00	\$1,180.00
05 -- Meetings Allowance	NTE \$3,000.00	\$0.00	0.00%	\$0.00	\$0.00
Total :	\$31,200.00	\$0.00		\$11,705.00	\$11,705.00

Amount Due This Invoice

\$11,705.00

* Total Amount Due is split evenly between Willistown Township and AQUA Pennsylvania.

Total Due - Aqua Pennsylvania **\$5,852.50**



INVOICE

Remit Payment To:
Pennoni Associates Inc.
P.O. Box 827328
Philadelphia, PA 19182-7328

Thomas F. Rafferty
Director of Business Development
Aqua Pennsylvania
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Invoice No : 1069737
Invoice Date : 05/06/2021
Project : WLTPX20104
Project Name : Sewer System
Engineering
Assessment

For Services Rendered Through 04/25/2021

From 3/1/2021 to 4/25/2021

Seller Contact: Sally Slook, Township Manager, Willistown Township
AQUA Pennsylvania Contact: Thomas F. Rafferty, Director of Business Development

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit & Inventory Facilities	\$7,700.00	\$5,775.00	82.64%	\$6,363.00	\$588.00
02 -- Determine Original Costs of Assets	\$7,200.00	\$2,160.00	57.02%	\$4,105.26	\$1,945.26
03 -- Facilities Assessment	\$7,400.00	\$2,590.00	42.77%	\$3,165.15	\$575.15
04 -- Prepare Assessment Report	\$5,900.00	\$1,180.00	31.48%	\$1,857.03	\$677.03
05 -- Meetings Allowance	NTE \$3,000.00	\$0.00	0.00%	\$0.00	\$0.00
Total :	\$31,200.00	\$11,705.00		\$15,490.44	\$3,785.44

Amount Due This Invoice

\$3,785.44**Outstanding Invoices**

Number	Date	Balance
1065723	4/1/2021	11,705.00
Total		11,705.00

* Total Amount Due is split evenly between Willistown Township and AQUA Pennsylvania.

Total Due - Aqua Pennsylvania **\$1,892.72**



INVOICE

Remit Payment To:
Pennoni Associates Inc.
P.O. Box 827328
Philadelphia, PA 19182-7328

Krista Weeks
Business Development
Aqua Pennsylvania
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Invoice No : 1075772
Invoice Date : 06/24/2021
Project : WLTPX20104
Project Name : Sewer System
Engineering
Assessment

For Services Rendered Through 05/30/2021

From 2/29/2021 to 5/30/2021

Completed and submitted draft Engineering Assessment Report. Initiated responses to Aqua's review comments.

Seller Contact: Sally Slook, Township Manager, Willistown Township
AQUA Pennsylvania Contact: Krista Weeks, Business Development

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit & Inventory Facilities	\$7,700.00	\$6,363.00	90.00%	\$6,930.00	\$567.00
02 -- Determine Original Costs of Assets	\$7,200.00	\$4,105.26	90.00%	\$6,480.00	\$2,374.74
03 -- Facilities Assessment	\$7,400.00	\$3,165.15	90.00%	\$6,660.00	\$3,494.85
04 -- Prepare Assessment Report	\$5,900.00	\$1,857.03	90.00%	\$5,310.00	\$3,452.97
05 -- Meetings Allowance	NTE \$3,000.00	\$0.00	0.00%	\$0.00	\$0.00
Total :	\$31,200.00	\$15,490.44		\$25,380.00	\$9,889.56

Amount Due This Invoice

\$9,889.56**Outstanding Invoices**

Number	Date	Balance
1065723	4/1/2021	11,705.00
1069737	5/6/2021	1,892.72
Total		13,597.72

* Total Amount Due is split evenly between Willistown Township and AQUA Pennsylvania.

Total Due - AQUA Pennsylvania **\$4,994.78**



INVOICE

Remit Payment To:
Pennoni Associates Inc.
P.O. Box 827328
Philadelphia, PA 19182-7328

Thomas, F. Rafferty
Director of Business Development Aqua Pennsylvania
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Invoice No : 1079138
Invoice Date : 07/21/2021
Project : WLTPX20104
Project Name : Sewer System
Engineering
Assessment

For Services Rendered Through 06/27/2021

From 5/31/2021 to 6/27/2021

Finalized and submitted final Engineering Assessment Report.

Seller Contact: Sally Slook, Township Manager, Willistown Township
AQUA Pennsylvania Contact: Krista Weeks, Business Development

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit & Inventory Facilities	\$7,700.00	\$6,930.00	100.00%	\$7,700.00	\$770.00
02 -- Determine Original Costs of Assets	\$7,200.00	\$6,480.00	100.00%	\$7,200.00	\$720.00
03 -- Facilities Assessment	\$7,400.00	\$6,660.00	100.00%	\$7,400.00	\$740.00
04 -- Prepare Assessment Report	\$5,900.00	\$5,310.00	100.00%	\$5,900.00	\$590.00
05 -- Meetings Allowance	NTE \$3,000.00	\$0.00	0.00%	\$0.00	\$0.00
Total :	\$31,200.00	\$25,380.00		\$28,200.00	\$2,820.00

Amount Due This Invoice

\$2,820.00**Outstanding Invoices**

Number	Date	Balance
1065723	4/1/2021	11,705.00
1075772	6/24/2021	4,894.78
Total		16,599.78

* Total Amount Due is split evenly between Willistown Township and AQUA Pennsylvania.

Total Due - Aqua Pennsylvania **\$1,410.00**

LAMB | McERLANE^{PC}

ATTORNEYS AT LAW

September 4, 2020

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010

Invoice: 188083

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0033 (0045)

Please remit payment to:

Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$500.00
Disbursements: \$0.00
Total: \$500.00

LAMB | McERLANE^{PC}

ATTORNEYS AT LAW

October 6, 2020

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010
Invoice: 189192

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0033 (0045)

Please remit payment to:
Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$3,650.00
Disbursements: \$0.00
Total: \$3,650.00

LAMB | McERLANE^{PC}

ATTORNEYS AT LAW

November 5, 2020

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010

Invoice: 190362

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0033 (0045)

Please remit payment to:

Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$1,800.00
Disbursements: \$0.00
Total: \$1,800.00

LAMB | McERLANE^{PC}
ATTORNEYS AT LAW

December 4, 2020

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010
Invoice: 191425

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0033 (0045)

Please remit payment to:
Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$2,400.00
Disbursements: \$0.00
Total: \$2,400.00

LAMB | McERLANE^{PC}

ATTORNEYS AT LAW

February 8, 2021

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010

Invoice: 193874

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0045

Please remit payment to:

Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$8,700.00
Disbursements: \$0.00
Total: \$8,700.00

LAMB | McERLANE^{PC}

ATTORNEYS AT LAW

March 5, 2021

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010
Invoice: 195166

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0045

Please remit payment to:
Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$1,300.00
Disbursements: \$0.00
Total: \$1,300.00

LAMB | McERLANE^{PC}

ATTORNEYS AT LAW

April 7, 2021

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010

Invoice: 196818

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0045

Please remit payment to:

Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$1,800.00
Disbursements: \$0.00
Total: \$1,800.00

LAMB | McERLANE^{PC}

ATTORNEYS AT LAW

May 7, 2021

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010
Invoice: 198195

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0045

Please remit payment to:

Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$1,200.00
Disbursements: \$0.00
Total: \$1,200.00

LAMB | McERLANE^{PC}

ATTORNEYS AT LAW

June 7, 2021

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010

Invoice: 199268

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0045

Please remit payment to:

Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$0.00
Disbursements: \$0.00
Total: \$0.00

LAMB | McERLANE^{PC}

ATTORNEYS AT LAW

July 8, 2021

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr PA 19010

Invoice: 200708

Re: Acquisition of Wastewater System Assets from Willistown Township
LM Account Number: 180379.0045

Please remit payment to:

Lamb McErlane PC
Attn.: Billing Department
PO Box 565
West Chester, PA 19381-0565

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$3,100.00
Disbursements: \$0.00
Total: \$3,100.00



THOMAS, NIESEN & THOMAS, LLC

Attorneys and Counsellors at Law

August 2, 2021

AQUA PENNSYLVANIA WASTEWATER, INC.

**TO: THOMAS, NIESEN & THOMAS, LLC
212 Locust Street
Suite 302
Harrisburg, PA 17101**

Invoice No. 13205

For professional services rendered to Aqua Pennsylvania Wastewater, Inc. during June and July 2021 in connection with the following matter:

AQUAWW-0035 Acquisition of Willistown Township Wastewater System



\$ 4,512.00

\$ 0.00

TOTAL \$ 4,512.00

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Costs/Benefits

11. Please describe known and anticipated general expense savings and efficiencies under Buyer's ownership. State the basis for all assumptions used in developing these costs and provide all supporting documentation for the assumptions, if available.

Response: Aqua estimates annual operating and maintenance expenses of approximately \$1.75M based on Willistown Township's operating expenses presented in the 2019 financial statements adjusted by the Company. The assumed reduction in operating costs is based on Aqua's experience and estimates of costs during the first year of operations. Please also refer to the direct testimony of William C. Packer (Aqua Statement No. 1), included in the Application as Exhibit U, for further costs/benefits of the system under the Buyer's ownership.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: August 3, 2021

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Costs/Benefits

12. Please provide a copy of the Seller's request for proposals (if there was one) and any accompanying exhibits with respect to the proposed sale of the system.

Response: Please see the attachment to SDR-12.

WILLISTOWN TOWNSHIP
SEWER SYSTEM SALE - REQUEST FOR BIDS (“RFB”)
PRE-QUALIFIED BIDDERS ONLY

RFB Distributed: September 22, 2020

Proposals Due: October 12, 2020

1. GENERAL INFORMATION FOR THE PROPOSER:

This Request for Bids (“RFB”) is being provided to your team by the Township of Willistown, Chester County (together “Willistown” or the “Seller”) to solicit a final, binding proposal (the “Proposal”) to enter into the Asset Purchase Agreement (the “APA” or the “Agreement”) for the sanitary sewer collection and conveyance system (the “Sewer System”).

The assets included in the Transaction are described in more detail in the APA. The final version of the A P A will be posted in the data room and labeled “Binding Proposal, Execution Copy” for clarity. Except for removing relevant bracketed information and filling in blanks, and except as otherwise provided herein, no changes will be permitted to the APA prior to signing, without written consent from Willistown.

All recipients of this RFB submitted responses to the Request for Qualifications for Sewer System Monetization dated May 6, 2020 (the “RFQ”) and were determined to be eligible for consideration in moving forward with the proposed transaction process (“Pre-Qualified Proposers”). The Pre-Qualified Proposers were subsequently provided with the opportunity to conduct additional due diligence on the sewer system assets included in the Agreement (the “System”), including (i) access to an online data room, and (ii) meetings with Willistown representatives and advisors. In addition, Willistown solicited feedback on drafts of the Agreement.

2. SYSTEM DESCRIPTION:

All assets owned by the Seller comprising the System are set forth in Section 2.01 of the APA.

3. INFORMATION REQUIRED FROM PROPOSERS AND SELECTION CRITERIA:

All Pre-Qualified Proposers eligible to respond to this RFB were deemed eligible to move forward based on their demonstrated technical and financial qualifications detailed in their response to the RFQ. All Pre-Qualified Proposers who submit a response to this RFB (“Proposers”) must comply with the requirements set forth in this document for submitting a Proposal. Provided that the Proposal requirements are met and the Proposer is found to remain qualified, responsible and responsive, the award of the Agreement will be based on the amount of Purchase Price included as part of Proposal Form 6. In accordance with 62 Pa.C.S. §513(d), the contents of Proposals will not be publically disclosed at the time of opening of the Proposals.

Each Proposal shall be in writing and formatted in accordance with the following outline:

Section 1.0 Executive Summary

- Proposal Form 1: Transmittal Letter
- Proposal Form 2: Non-Collusion Affidavit

Section 2.0 Project Team and Technical Capability Information

- Proposal Form 3: Statement of Ownership - Proposer
- Proposal Form 4: Operator Information
- Proposal Form 5: Contract and Lobbyist Disclosure

Section 3.0 Business Proposal

- Proposal Form 6a: Business Proposal – 2 Year Rate Freeze
- Proposal Form 6b: Business Proposal – No Rate Freeze

4. SUBMISSION INSTRUCTIONS AND REQUIREMENTS:

One (1) original and two (2) hard copies of the Proposal shall be submitted, with the original copy of the Proposal clearly marked as the original and must contain the original signature forms and other original documents. *All packages shall be sealed and clearly marked with the legend: “RESPONSE TO WILLISTOWN SEWER SYSTEM RFB.”* In accordance with Section 8 of this RFB, the contents of the Proposal will not be made public until after the award of a contract. The Proposal shall be submitted in a sealed envelope or package addressed to:

PFM Financial Advisors LLC
c/o Garrett Moore
213 Market Street
Mail Room Third Floor
Harrisburg, PA 17101

THE SEALED PROPOSAL MUST BE RECEIVED NO LATER THAN 12:00 P.M. EASTERN TIME ON OCTOBER 12, 2020.

To the extent there are any questions regarding delivery of the Proposal, please contact Garrett Moore at mooreg@pfm.com/717-232-2723.

By submitting a Proposal, Proposers acknowledge and agree to the following conditions:

- All Proposals submitted in response to this RFB shall become the property of Willistown. As such, after the award of a contract, or after the opening and rejection of all Proposals, Proposals submitted will become public records subject to public review under applicable law, subject to certain exceptions as described in Section 8 of this RFB.
- The selection of a Proposal by Willistown shall not waive or limit any assumptions of risk, provision of indemnity, or other obligations of the Proposer under the APA as may be executed between the Proposer and Willistown.
- Proposers and their representatives shall comply with the communications protocol set forth in Section 5 of this RFB with respect to all communications concerning this RFB.
- Proposals shall comply with all content requirements of Section 3 of this RFB. Failure to comply with such requirements may result in a Proposer being deemed non-responsive.
- The pre-qualification of Proposers to receive this RFB and provide a Proposal does not waive or abridge the right of Willistown to find that any Proposer is not qualified or that the Proposal is non-responsive to the requirements of this RFB.
- **Proposers should ensure that the written and numerical Purchase Price in Business Proposal 6 match. Should this not be the case, the binding Purchase Price will be assumed to be the lower of the two Purchase Price numbers.**
- **Bids must be submitted in the form and on the date required by this RFB. No further proposals, modifications or alternative offers will be considered pursuant to this RFB.**
- **Willistown reserves the right to reject any and all bids and to determine not to proceed with a sale of the Sewer System at its sole discretion.**
- **Based on the outcome of regulatory determinations (if applicable) subsequent to the award of the winning bid hereunder, the Seller reserves the right to renegotiate certain terms of the APA, including purchase price, as it deems in its best interests and as are acceptable to the winning bidder, provided however that any adjustment to purchase price shall not result in a price that would have resulted in a Best and Final Offer bid process (“BAFO”) had such adjusted purchase price been the original bid price of Buyer or, if a BAFO has taken place pursuant to this RFB, such adjusted purchase price is higher than the next highest bid received by Seller in the BAFO.**

5. QUESTIONS AND REQUESTS FOR CLARIFICATION:

All questions and requests for clarification concerning this RFB shall be directed in writing (e-mail) to Garrett Moore, whose contact information is provided below, by **NO LATER THAN 2:00 PM EASTERN TIME ON OCTOBER 2, 2020**. No questions, written or oral, shall be accepted after this time.

Garrett Moore
PFM Financial Advisors LLC
mooreg@pfm.com

All questions and clarification requests should be submitted in writing, and Pre-Qualified Proposers are encouraged to submit such questions and clarification requests in advance of the above deadline. Answers to such questions provided by Willistown will be in writing and will be made available to all Proposers.

6. BIDDING OPTIONS

There are two bidding options, one on Proposal Form 6a and one on Proposal Form 6b. The first option, 6a, is to bid on the Sewer System assuming a two (2) year rate freeze (freeze inclusive of DSIC charges). The second option, 6b, is to bid on the Sewer System assuming no rate freeze. Bidders are welcome to bid on one or both options.

Willistown reserves the right to select whichever option it desires, however, the Township must select the highest overall bid from each option. For example, if the bid for 6a (2-year rate freeze) is less than 6b (no rate freeze), but the Township wants to select 6a, it can select the highest bid proposed under 6a.

7. POTENTIAL BID INCREASE DUE TO BEST-AND-FINAL OFFER (“BAFO”):

Your Proposal Form should represent your best offer. However, if the Purchase Prices set forth in Proposal Forms 6a and 6b of one or more of the offers received by such deadline (other than the offer setting forth the highest amount of Purchase Price) is within 10% of the amount of the Purchase Price in such highest offer, Willistown will allow the Proposer whose offer sets forth the highest amount of Purchase Price and any Proposer(s) whose offer is within 10% of such highest amount of Purchase Price (the “Applicable Proposers”) to increase the amount of proposed Purchase Price by submitting an increased proposal form to be provided by Willistown at that time. The BAFO will be applicable within each option, either 6a or 6b. For example, if two bids that are submitted under option 6a are within 10% of each other, a BAFO will occur between those two. Also, if two bids that are submitted under option 6b are within 10% of each other, a BAFO will occur between those two. A BAFO will not occur, however, if a bid from 6a and 6b are within 10% of each other.

If necessary, Willistown will provide further instructions to all Applicable Proposers for submitting such increased proposal forms; however, the timing for submission of such increased proposal forms will be at the complete discretion of Willistown. All other terms of the offer will remain the same. You should not assume that you will be given the opportunity to increase the amount of your Purchase Price under any other circumstances.

8. APPROVAL AND SIGNING:

Willistown intends to select the Proposer that offers the highest Purchase Price set forth in either Proposal Form 6a or 6b under the terms set forth during the procurement process for this transaction, provided that the Proposer complies with all requirements set forth in this RFB for submitting a final Proposal and is found to remain qualified, responsible and responsive. Execution of the Agreement by Willistown will be subject to final approval and authorization by the Seller's Board (the "Board"). A recommendation will be submitted to the Boards, shortly after the conclusion of the proposal process. After selection of a Proposal and approval by the Boards, the selected Proposer and Willistown shall be required to execute the APA.

9. CONFIDENTIALITY AND DISCLOSURE TO THIRD PARTIES:

The existence and contents of this letter are subject to the confidentiality agreement that you previously executed. We ask you to remind all members of your team of your obligations under such confidentiality agreement and the indemnity obligation for any violation thereof.

Proposers should be aware that records of Willistown are subject to the provisions of the Pennsylvania Right-to-Know Law, 65 P.S. §67.101 et seq. ("RTK Law"), and that with certain exceptions, such records are subject to public disclosure. Willistown understands that in responding to this RFB, Proposers will be submitting information, including financial data that the parties desire to be kept confidential. It is Willistown's position that this RFB is part of a competitive proposal transaction process, and that prior to the award of a contract or prior to the opening and rejection of all proposals, all such submissions are confidential and exempt from disclosure under the Section 708(b)(26) of the RTK Law, 65 P.S. §67.708(b)(26).

Proposers are advised, however, that following award of a contract or the opening and rejection of all Proposals, such submissions may be subject to public disclosure unless they are otherwise exempt from disclosure under another provision of the RTK Law. Records and information submitted by Prospective Proposers that constitute "trade secrets" or "confidential proprietary information" as defined in the RTK Law are exempt from disclosure under Section 708(b)(11), 65 P.S. §67.708(b)(11). "Confidential proprietary information" includes commercial and financial information which is privileged or confidential to the submitting party and the disclosure of which would cause substantial harm to the competitive position of the person who submitted the information. Proposers are advised that if they believe any information being submitted in response to this Request for Bids constitutes or references trade secret or confidential propriety information, they should clearly so label any such information with a prominent label of either: "TRADE SECRET" or "CONFIDENTIAL PROPRIETARY INFORMATION." Any such claims may be subject to review pursuant to the procedures set forth in the RTK Law. If Willistown, the Pennsylvania Office of Open Records or a court determines that such information does not qualify as a trade secret or confidential proprietary information, such information may be subject to public disclosure.

10. RIGHT TO REJECT BIDS AND SALE; MODIFICATION OF PRICE:

Willistown reserves the right to reject any and all bids and to determine not to proceed with a sale of the Sewer System. In addition, based on the outcome of regulatory determinations (if applicable) subsequent to the award of the winning bid hereunder, the Seller reserves the right to renegotiate certain terms of the APA, including purchase price, as it deems in its best interests and as are acceptable to the winning bidder, provided however that any adjustment to purchase price shall not result in a price that would have resulted in a Best and Final Offer bid process ("BAFO") had such

adjusted purchase price been the original bid price of Buyer or, if a BAFO has taken place pursuant to this RFB, such adjusted purchase price is higher than the next highest bid received by Seller in the BAFO.

PROPOSAL FORMS

**Proposal Form 1 - Willistown Township Sewer System RFB
Transmittal Letter**

{to be prepared on Proposer's Letterhead}

[Date], 2020

PFM Financial Advisors LLC
c/o Garrett Moore
213 Market Street
Mail Room Third Floor
Harrisburg, PA 17101

Re: Willistown Sewer System Request for Bids

Dear Willistown:

_____ (the "Proposer") hereby submits the attached Proposal in response to Willistown Township's Sewer System Request for Bids (the "RFB") issued by Willistown Township ("**Willistown**") on September 22, 2020, as amended.

The undersigned Proposer hereby unconditionally and irrevocably offers to enter into the Asset Purchase Agreement (the "**APA**") for identified sewer facilities owned and operated by Willistown. Capitalized terms not otherwise defined in this Proposal have the meanings set forth in the APA.

The Proposer, by its undersigned duly-authorized representative, hereby covenants, certifies, represents, and warrants, as follows in connection with this Proposal:

1. ***RFB and Addendum Acknowledgement.*** The Proposer acknowledges receipt of the RFB and the following addenda to the RFB:

<u>Addendum No.</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

2. ***Due Authorization.*** The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer.

3. ***Completeness; Warranty as to Proposal Information.*** The Proposer has submitted all Proposal Forms and such Proposal Forms are a part of this Proposal. All information and statements contained in the Proposal are current, correct and complete, and are made with full knowledge that Willistown will rely on such information and statements in determining which Proposals are responsive and responsible, and in ultimately selecting the Proposal deemed most advantageous to Willistown and executing the Agreement.
4. ***Identity of Buyer.*** The Buyer will be the Proposer, provided that the Proposer may, prior to the execution of the Agreement pursuant to paragraph 8 below, create a subsidiary to be the Buyer (the “Subsidiary”), in which event the Subsidiary shall carry out all of the obligations of the Buyer under the Agreement from and after such execution.
5. ***Final Agreements.*** The Proposer agrees to enter into the Agreement in each case in the form identified as “Binding Proposal, Execution Copy” as posted in the Virtual Data Room for this Transaction (except for filling in indicated blanks and completion of Schedules as provided therein).
6. ***Purchase Price.*** The amount of the Purchase Price that Proposer will pay pursuant to Section 3.01 of the Agreement will be the total set forth in Proposal Form 6.
7. ***Proposal Effective Period.*** This Proposal and offer shall remain in effect and irrevocable until 5:00 p.m. Eastern Daylight Savings Time on December 15, 2020, unless extended to 5:00 p.m. Eastern Daylight Savings Time on January 15, 2021 by Willistown or unless further extended by mutual consent of both Willistown and the Proposer (the “Termination Time”). In the event that the Proposal submission date is delayed, the Termination Time will be extended for the same such period. If Willistown does not give written notice to the Proposer that Willistown is prepared to enter into the Bidding Documents on or prior to the Termination Time, this offer and the terms of this Proposal shall terminate at the Termination Time.
8. ***Agreement Execution.*** If at any time prior to the Termination Time, Willistown gives written notice to the Proposer, at the address specified below, that they are prepared to enter into the Agreement with the Proposer, the Proposer will, within two Business Days of its receipt of such notice, execute and deliver the Agreement to Willistown.
9. ***Debarment.*** Neither the Proposer, the Operator, nor any other member of Proposer’s project team is currently suspended or debarred from doing business with any governmental entity.
10. ***Contract Disclosures.*** Except as disclosed in Proposal Form 5, neither Proposer nor any member of Proposer’s team has entered into any arrangement with any person or entity involving a finder’s fee, fee splitting, firm affiliation or relationship with any broker- dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest.
11. ***No Litigation.*** There is no action, suit or proceeding, at law or in equity, before any court or similar governmental body, against the Proposer, wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the ability of the Proposer to perform its obligations under the Agreement contemplated hereby, or which, in

any way, would have a materially adverse effect on the validity or enforceability of the obligations proposed to be undertaken by the Proposer, or any agreement or instrument entered into by the Proposer in connection with the Transaction contemplated hereby.

12. ***Certain Representations.*** The Proposer represents and warrants that (1) Proposer has full power and authority to make this offer and submit this Proposal; (2) Proposer, or the Subsidiary, will have full power and authority to execute and deliver the Agreement pursuant to the terms hereof; (3) such actions do not and will not violate the terms of any of the Proposer's or the Subsidiary's organizational documents or any agreement binding upon it or the terms of any Applicable Law; (4) no further consent to this offer or Proposal or to the execution of the Agreement pursuant to the terms hereof is required to be obtained from any other Person or Governmental Authority; and (5) this offer and Proposal constitute, and the Agreement, if executed pursuant to the terms hereof, will constitute duly authorized, valid and legally binding obligations of the Proposer, or the Subsidiary, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfers, or other laws affecting creditor's rights generally, and subject to general principles of equity (regardless of whether in law or in equity).
13. ***Material Changes.*** The Proposer has disclosed as an attachment to this Proposal all material changes from the information provided in the Proposer's RFQ Response.
14. ***Principal Contact.*** The principal contact person who will serve as the interface between the Governmental Party and the Proposer for all communications is:

NAME:

TITLE:

ADDRESS:

PHONE:

FAX:

EMAIL:

Submitted by:

Name of Proposer

Name of Designated Signatory

Signature

Title

**Proposal Form 2- Willistown Township Sewer System RFB
Non-Collusion Affidavit**

STATE OF _____)

COUNTY OF _____)

I, [INSERT DESIGNATED SIGNATORY NAME], a resident of _____ MUNICIPALITY OR OTHER JURISDICTION, in the State of [INSERT STATE], of full age, being duly sworn according to law, on my oath depose and say that:

(1) I am the [INSERT TITLE] of [INSERT PROPOSER NAME], organized under the laws of the state of [INSERT STATE NAME], the Proposer making the Proposal in response to the Willistown Township Sewer System Request for Bids issued by Willistown Township on September 22, 2020, as amended, and that I executed said Proposal with full authority to do so;

(2) The pricing information set forth in this Proposal have been arrived at independently without collusion, fraud, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such pricing information with any other Proposer or anyone employed by or representing Willistown;

(3) Unless otherwise required by law, the pricing information which has been quoted in this Proposal has not been knowingly disclosed by the Proposer and will not knowingly be disclosed by the Proposer, directly or indirectly, to any other Proposer or to any competitor prior to execution of the Agreement; and

(4) No attempt has been made or will be made by the Proposer to induce any other person or entity to submit or not to submit a Proposal for the purpose of restricting competition.

I, hereby affirm under the penalties of perjury that the foregoing statements are true.

Name of Proposer

Name of Designated Signatory

Signature

Title

(Notary Public)

State/Commonwealth of _____

County of _____

On this _____ day of _____, 2020, before me appeared [DESIGNATED SIGNATORY], who is [INSERT TITLE] of [INSERT PROPOSER], a [INSERT STATE AND ENTITY TYPE], personally known to me to be the person described in and who executed this Non-Collusion Statement and acknowledged that she/he signed the same freely and voluntarily for the uses and purposes therein described.

In witness thereof, I have hereunto set my hand and affixed my official seal the day and year last written above.

Notary Public in and for the State/Commonwealth of

(seal)

(Name printed)

Residing at _____

Commission Number _____

Proposal Form 3- Willistown Township Sewer System RFB
Statement of Ownership – Proposer

Name of Proposer:

Business Address:

Legal Form of Proposer:

State of Incorporation or Organization:

If not organized in Pennsylvania, is Proposer ☐ ***Yes***
authorized to do business in Pennsylvania? ☐ ***No***

***List Names and Titles of All Principal
Officers and Directors:***

Significant Equity Owners of the Proposer:

List the names, business addresses and percentage ownership interests of all Persons (individuals or entities) who own, directly or indirectly, 10% or more of the capital stock, units, partnership or membership interests, or other equity interests or securities of the Proposer (including options, warrants and other rights to acquire such equity interests) (the "Significant Equity Owners"). If none, please state "NONE." If one or more such Significant Equity Owner(s) of Proposer is an entity, then list the names and addresses of all Significant Equity Owners of such entity; if none, please state "None." This disclosure shall be continued until names and addresses of every Significant Equity Owners exceeding the ten percent ownership criteria of each entity listed has been identified. Additional pages may be attached.

<i>Name</i>	<i>Address</i>	<i>% Interest</i>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

Proposal Form 4- Willistown Township Sewer System RFB
Operator Information

If the Proposer is not the Operator, the Proposer must clearly identify the entity or entities that will serve as the Operator under the APA. For the proposed Operator, please provide the following information.

1. **Name & Address of Proposed Operator:**
2. **Operator's Primary Representative:**
3. **Operator Experience (if not previously provided in response to the RFQ):**
4. **Operator's References (if not previously provided in response to the RFQ):**
5. **Material Change:** Any change in condition (financial or otherwise), development, occurrence or circumstance that could be materially adverse to the Operator that has arisen after the date of the RFQ and which would have been responsive to the RFQ if such change, development, occurrence or circumstance had arisen prior to the Proposer's response to the RFQ.

Proposal Form 5- Willistown Township Sewer System RFB
Contract and Lobbyist Disclosure

Proposer hereby certifies that except as listed below, neither Proposer nor any member of Proposer's team has entered into any arrangement with any person or entity involving a finder's fee, fee splitting, firm affiliation or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest. (If there are no such arrangements, please write NONE)

<i>Name of Person or Entity</i>	<i>Disclosure and Description of Arrangement</i>

Name of Proposer

Name of Designated Signatory

Signature

Title

Proposal Form 6a- Willistown Township Sewer System RFB
TWO-YEAR RATE FREEZE OPTION
Business Proposal

For the purposes of Proposal Form 6a please provide your Purchase Price assuming a two-year rate freeze, outlined in the APA, **were to be imposed** by Willistown.

The amount of the Purchase Price that Proposer offers to pay pursuant to Section 3.01 of the Agreement is:

US\$ _____ [in numbers],

_____ [in words] United States Dollars.

Solely for the purpose of illustration, and **NOT** for the purpose of selecting a winner, (but required for a conforming bid), please provide nonbinding indicative residential rates (assuming 4,000 gallons of usage per month) that support the Purchase Price above.

Indicative rates for the next 10 years:

2021 _____	2022 _____	2023 _____	2024 _____	2025 _____
2026 _____	2027 _____	2028 _____	2029 _____	2030 _____

Proposers should ensure that the written and numerical Purchase Price in this Business Proposal exactly match. Should this not be the case, the binding Purchase Price will be assumed to be the lower of the two Purchase Price numbers.

Name of Proposer

Name of Designated Signatory

Signature

Proposal Form 6b- Willistown Township Sewer System RFB
NO RATE FREEZE OPTION
Business Proposal

Willistown is considering the elimination of the two-year rate freeze outlined in the APA. For the purposes of Proposal Form 6b please provide your Purchase Price assuming that the two-year rate freeze, outlined in the APA, **were not to be imposed** by Willistown.

The amount of the Purchase Price that Proposer offers to pay pursuant to Section 3.01 of the Agreement is:

US\$ _____ [in numbers],

_____ [in words] United States
Dollars.

Solely for the purpose of illustration, and **NOT** for the purpose of selecting a winner, (but required for a conforming bid), please provide nonbinding indicative residential rates (assuming 4,000 gallons of usage per month) that support the Purchase Price above.

Indicative rates for the next 10 years:

2021 _____	2022 _____	2023 _____	2024 _____	2025 _____
2026 _____	2027 _____	2028 _____	2029 _____	2030 _____

Proposers should ensure that the written and numerical Purchase Price in this Business Proposal exactly match. Should this not be the case, the binding Purchase Price will be assumed to be the lower of the two Purchase Price numbers.

Name of Proposer

Name of Designated Signatory

Signature

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: August 3, 2021

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Costs/Benefits

13. Please provide a copy of the proposal and exhibits of the Buyer for the purchase of Seller's system.

Response: Please see the attachment to SDR-13.



October 12, 2020

PFM Financial Advisors LLC
c/o Garrett Moore
213 Market Street
Mail Room Third Floor
Harrisburg, PA 17101

Re: Willistown Sewer System Request for Bids

Dear Willistown:

Aqua Pennsylvania Wastewater Inc. (the "Proposer") hereby submits the attached Proposal in response to Willistown Township's Sewer System Request for Bids (the "RFB") issued by Willistown Township ("Willistown") on September 22, 2020, as amended.

The undersigned Proposer hereby unconditionally and irrevocably offers to enter into the Asset Purchase Agreement (the "APA") for identified sewer facilities owned and operated by Willistown. Capitalized terms not otherwise defined in this Proposal have the meanings set forth in the APA.

The Proposer, by its undersigned duly-authorized representative, hereby covenants, certifies, represents, and warrants, as follows in connection with this Proposal:

1. ***RFB and Addendum Acknowledgement.*** The Proposer acknowledges receipt of the RFB and the following addenda to the RFB:

<u>Addendum No.</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

2. ***Due Authorization.*** The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer.

3. ***Completeness; Warranty as to Proposal Information.*** The Proposer has submitted all Proposal Forms and such Proposal Forms are a part of this Proposal. All information and statements contained in the Proposal are current, correct and complete, and are made with full knowledge that Willistown will rely on such information and statements in determining which Proposals are responsive and responsible, and in ultimately selecting the Proposal deemed most advantageous to Willistown and executing the Agreement.
4. ***Identity of Buyer.*** The Buyer will be the Proposer, provided that the Proposer may, prior to the execution of the Agreement pursuant to paragraph 8 below, create a subsidiary to be the Buyer (the "Subsidiary"), in which event the Subsidiary shall carry out all of the obligations of the Buyer under the Agreement from and after such execution.
5. ***Final Agreements.*** The Proposer agrees to enter into the Agreement in each case in the form identified as "Binding Proposal, Execution Copy" as posted in the Virtual Data Room for this Transaction (except for filling in indicated blanks and completion of Schedules as provided therein).
6. ***Purchase Price.*** The amount of the Purchase Price that Proposer will pay pursuant to Section 3.01 of the Agreement will be the total set forth in Proposal Form 6.
7. ***Proposal Effective Period.*** This Proposal and offer shall remain in effect and irrevocable until 5:00 p.m. Eastern Daylight Savings Time on December 15, 2020, unless extended to 5:00 p.m. Eastern Daylight Savings Time on January 15, 2021 by Willistown or unless further extended by mutual consent of both Willistown and the Proposer (the "Termination Time"). In the event that the Proposal submission date is delayed, the Termination Time will be extended for the same such period. If Willistown does not give written notice to the Proposer that Willistown is prepared to enter into the Bidding Documents on or prior to the Termination Time, this offer and the terms of this Proposal shall terminate at the Termination Time.
8. ***Agreement Execution.*** If at any time prior to the Termination Time, Willistown gives written notice to the Proposer, at the address specified below, that they are prepared to enter into the Agreement with the Proposer, the Proposer will, within two Business Days of its receipt of such notice, execute and deliver the Agreement to Willistown.
9. ***Debarment.*** Neither the Proposer, the Operator, nor any other member of Proposer's project team is currently suspended or debarred from doing business with any governmental entity.
10. ***Contract Disclosures.*** Except as disclosed in Proposal Form 5, neither Proposer nor any member of Proposer's team has entered into any arrangement with any person or entity involving a finder's fee, fee splitting, firm affiliation or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest.
11. ***No Litigation.*** There is no action, suit or proceeding, at law or in equity, before any court or similar governmental body, against the Proposer, wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the ability of the Proposer to perform its obligations under the Agreement contemplated hereby, or which, in

any way, would have a materially adverse effect on the validity or enforceability of the obligations proposed to be undertaken by the Proposer, or any agreement or instrument entered into by the Proposer in connection with the Transaction contemplated hereby.

12. ***Certain Representations.*** The Proposer represents and warrants that (1) Proposer has full power and authority to make this offer and submit this Proposal; (2) Proposer, or the Subsidiary, will have full power and authority to execute and deliver the Agreement pursuant to the terms hereof; (3) such actions do not and will not violate the terms of any of the Proposer's or the Subsidiary's organizational documents or any agreement binding upon it or the terms of any Applicable Law; (4) no further consent to this offer or Proposal or to the execution of the Agreement pursuant to the terms hereof is required to be obtained from any other Person or Governmental Authority; and (5) this offer and Proposal constitute, and the Agreement, if executed pursuant to the terms hereof, will constitute duly authorized, valid and legally binding obligations of the Proposer, or the Subsidiary, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfers, or other laws affecting creditor's rights generally, and subject to general principles of equity (regardless of whether in law or in equity).
13. ***Material Changes.*** The Proposer has disclosed as an attachment to this Proposal all material changes from the information provided in the Proposer's RFQ Response.
14. ***Principal Contact.*** The principal contact person who will serve as the interface between the Governmental Party and the Proposer for all communications is:

NAME: **Krista Weeks**

TITLE: **Manager, Business Development**

ADDRESS: **762 W. Lancaster Ave. Bryn Mawr, PA 19010**

PHONE: (O): **610-645-1029** (M): **856-776-0058**

FAX: **610.645.1061**

EMAIL: **kdweeks@aquaamerica.com**

Submitted by:

Name of Proposer

Aqua Pennsylvania Wastewater Inc.

Name of Designated Signatory

Marc A. Lucca

Signature



Title

President

**Proposal Form 2- Willistown Township Sewer System RFB
Non-Collusion Affidavit**

STATE OF _____ PENNSYLVANIA)

COUNTY OF _____ MONTGOMERY)

I, Marc A. Lucca, a resident of Lower Merion Township, in the State of Pennsylvania, of full age, being duly sworn according to law, on my oath depose and say that:

- (1) I am the President of Aqua Pennsylvania Wastewater Inc., organized under the laws of the state of Pennsylvania, the Proposer making the Proposal in response to the Willistown Township Sewer System Request for Bids issued by Willistown Township on September 22, 2020, as amended, and that I executed said Proposal with full authority to do so;
- (2) The pricing information set forth in this Proposal have been arrived at independently without collusion, fraud, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such pricing information with any other Proposer or anyone employed by or representing Willistown;
- (3) Unless otherwise required by law, the pricing information which has been quoted in this Proposal has not been knowingly disclosed by the Proposer and will not knowingly be disclosed by the Proposer, directly or indirectly, to any other Proposer or to any competitor prior to execution of the Agreement; and
- (4) No attempt has been made or will be made by the Proposer to induce any other person or entity to submit or not to submit a Proposal for the purpose of restricting competition.

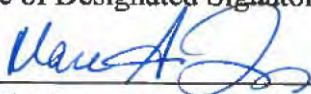
I, hereby affirm under the penalties of perjury that the foregoing statements are true.

Aqua Pennsylvania Wastewater Inc.

Name of Proposer

Marc A. Lucca

Name of Designated Signatory



Signature

President

Title

(Notary Public)

State/Commonwealth of Pennsylvania

County of Montgomery

On this 9 day of October, 2020, before me appeared **Marc A. Lucca**, who is President of Aqua Pennsylvania Wastewater Inc., a Pennsylvania Corporation, personally known to me to be the person described in and who executed this Non-Collusion Statement and acknowledged that sbe/he signed the same freely and voluntarily for the uses and purposes therein described.

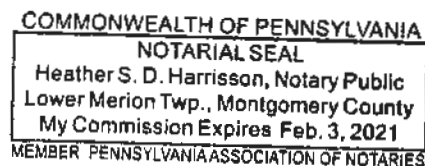
In witness thereof, I have hereunto set my hand and affixed my official seal the day and year last written above.

Heather S. D. Harrison
Notary Public in and for the State Commonwealth of
Pennsylvania

(seal)

Heather S. D. Harrison
(Name printed)

Residing at 762 W. Lancaster Ave
Bryn Mawr, PA 19010
Commission Number 1213370



Proposal Form 3- Willistown Township Sewer System RFB
Statement of Ownership – Proposer

Name of Proposer: Aqua Pennsylvania Wastewater, Inc.

Business Address: 762 W. Lancaster Avenue, Bryn Mawr, PA 19010

Legal Form of Proposer: Corporation

State of Incorporation or Organization: Pennsylvania

If not organized in Pennsylvania, is Proposer ☐ Yes
authorized to do business in Pennsylvania? ☐ No

List Names and Titles of All Principal Officers and Directors:

Christopher H. Franklin	Chief Executive Officer (Officer & Director)
Daniel J. Schuller	EVP, Chief Financial Officer (Officer & Director)
Richard S. Fox	EVP, Chief Operating Officer (Officer & Director)
Matthew R. Rhodes	EVP, Strategy and Corporate Development (Officer & Director)
Christopher P. Luning	SVP, General Counsel and Secretary (Officer & Director)
Marc A. Lucca	President (Officer & Director)
Stan Szczygiel	Vice President and Treasurer

Significant Equity Owners of the Proposer:

List the names, business addresses and percentage ownership interests of all Persons (individuals or entities) who own, directly or indirectly, 10% or more of the capital stock, units, partnership or membership interests, or other equity interests or securities of the Proposer (including options, warrants and other rights to acquire such equity interests) (the "Significant Equity Owners"). If none, please state "NONE." If one or more such Significant Equity Owner(s) of Proposer is an entity, then list the names and addresses of all Significant Equity Owners of such entity; if none, please state "None." This disclosure shall be continued until names and addresses of every Significant Equity Owners exceeding the ten percent ownership criteria of each entity listed has been identified. Additional pages may be attached.

Name	Address	Interest %
<u>Aqua Pennsylvania, Inc.</u>	<u>762 W. Lancaster Ave., Bryn Mawr, PA 19010</u>	<u>100%</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Proposal Form 4- Willistown Township Sewer System RFB
Operator Information

If the Proposer is not the Operator, the Proposer must clearly identify the entity or entities that will serve as the Operator under the APA. For the proposed Operator, please provide the following information.

1. **Name & Address of Proposed Operator:**

PROPOSER IS THE OPERATOR

2. **Operator's Primary Representative:**

TODD DUERR

3. **Operator Experience (if not previously provided in response to the RFQ):**

SEE RFQ

4. **Operator's References (if not previously provided in response to the RFQ):**

SEE RFQ

5. **Material Change:** Any change in condition (financial or otherwise), development, occurrence or circumstance that could be materially adverse to the Operator that has arisen after the date of the RFQ and which would have been responsive to the RFQ if such change, development, occurrence or circumstance had arisen prior to the Proposer's response to the RFQ.

Proposal Form 5- Willistown Township Sewer System RFB
Contract and Lobbyist Disclosure

Proposer hereby certifies that except as listed below, neither Proposer nor any member of Proposer's team has entered into any arrangement with any person or entity involving a finder's fee, fee splitting, firm affiliation or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest. (If there are no such arrangements, please write NONE)

<i>Name of Person or Entity</i>	<i>Disclosure and Description of Arrangement</i>
None	

Aqua Pennsylvania Wastewater, Inc.

Name of Proposer

Marc A. Lucca

Name of Designated Signatory



Signature

President

Title

Proposal Form 6a- Willistown Township Sewer System RFB
TWO-YEAR RATE FREEZE OPTION
Business Proposal

For the purposes of Proposal Form 6a please provide your Purchase Price assuming a two-year rate freeze, outlined in the APA, **were to be imposed** by Willistown.

The amount of the Purchase Price that Proposer offers to pay pursuant to Section 3.01 of the Agreement is:

US \$17,500,000.00 [*in numbers*],

Seventeen Million Five Hundred Thousand Dollars and Zero Cents [*in words*] United States Dollars.

Solely for the purpose of illustration, and **NOT** for the purpose of selecting a winner, (but required for a conforming bid), please provide nonbinding indicative residential rates (assuming 4,000 gallons of usage per month) that support the Purchase Price above.

Indicative rates for the next 10 years:

2021	\$63.63	2022	\$63.63	2023	\$63.63	2024	\$65.22	2025	\$92.69
2026	\$95.00	2027	\$97.38	2028	\$94.64	2029	\$97.00	2030	\$99.43

The Company's 10-year projection of rates for the costs associated with the acquisition of the Willistown Wastewater system assume base rate increases in 2025 and 2028, assume approximately 30% cost allocation, and a DSIC surcharge beginning no sooner than 2023. These projections are for illustration purposes and reflect reasonable expectations of the Company based on current industry trends, however, are subject to changes and the approval of the PA Public Utility Commission.


Proposers should ensure that the written and numerical Purchase Price in this Business Proposal exactly match. Should this not be the case, the binding Purchase Price will be assumed to be the lower of the two Purchase Price numbers.

Aqua Pennsylvania Wastewater, Inc.

Name of Proposer

Marc A. Lucca

Name of Designated Signatory


Signature

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Costs/Benefits

14. Provide a copy of the Buyer's offer to purchase the Seller's system and the Seller's response to that offer.

Response: Please see the response to SDR-13 for the Company's response to the Request For Bids. Please see the attachment to SDR-14 for Willistown Township's ordinance approving the sale of its system to the Company.

**WILLISTOWN TOWNSHIP
CHESTER COUNTY, PENNSYLVANIA**

ORDINANCE NO. 5 of 2020

AN ORDINANCE AUTHORIZING THE EXECUTION BY WILLISTOWN TOWNSHIP (THE "TOWNSHIP") OF AN ASSET PURCHASE AGREEMENT (THE "PURCHASE AGREEMENT") BETWEEN THE TOWNSHIP AND THE PURCHASER, AQUA PENNSYLVANIA WASTEWATER, INC. ("AQUA"); AUTHORIZING THE ASSIGNMENT OF THE TOWNSHIP'S RIGHTS AND OBLIGATIONS IN ALL RELEVANT AGREEMENTS TO AQUA; AUTHORIZING AND APPROVING ALL CONVEYANCE INSTRUMENTS; AUTHORIZING COMMUNICATIONS OF INFORMATION AND COOPERATION WITH AQUA; AUTHORIZING ALL ACTIONS RELATING TO THE EXECUTION OF THE PURCHASE AGREEMENT AND THE ASSIGNMENT OF ALL RELEVANT AGREEMENTS; AUTHORIZING INCIDENTAL ACTION TO BE TAKEN BY SPECIFIED OFFICERS OF THE TOWNSHIP; AND REPEALING INCONSISTENT ORDINANCES AND RESOLUTIONS.

WHEREAS, Township is a body corporate and politic, organized and existing under the Second Class Township Code of the Commonwealth of Pennsylvania, 53 P.S. §65101, et. seq. (the "Code").

WHEREAS, the Township currently owns and operates a sanitary wastewater collection and disposal system (the "System") that provides wastewater service to various customers primarily within the Township; and

WHEREAS, the Township previously decided to pursue the sale of all of the assets, properties and rights of the Township (whether tangible, real, personal or mixed) which are exclusively held and used by it in connection with the System, as set forth in the Purchase Agreement (the "System Assets") through a competitive bidding process (the "Assets Sale"); and

WHEREAS, the Township issued a Request for Qualifications (the "RFQ") and qualified two bidders and a subsequent Request for Bids (the "RFB") to solicit binding bids from interested and qualified companies and entities to purchase the System; and

WHEREAS, the Township received three responses to the RFQ and, after the opportunity for due diligence, received a binding bid from Aqua that was found to be qualified; no bid was received from the second qualified bidder; and

WHEREAS, the Township has reviewed the proposal submitted in response to the RFB from Aqua and has determined that Aqua's bid proposal is in the best interest of the Township and offers value to the Township, as determined by the Board of Supervisors of the Township, based on the advice of the Township's Financial Advisor and the Special Counsel; and

WHEREAS, to the extent the Township has determined that the Assets Sale is in the best

interests of the Township, such determination to be evidenced through the execution by the Township of the Purchase Agreement, the Township will sell the System Assets to Aqua by entering into the Purchase Agreement with Aqua; and

WHEREAS, pursuant to the Purchase Agreement, the Township will assign the Township's rights and obligations under all relevant Agreements to Aqua as necessary and appropriate and in accordance with the Purchase Agreement; and

WHEREAS, under the Purchase Agreement, the Township will transfer to Aqua the ownership of the System Assets through the execution and delivery of all necessary and required bills of sale, instruments of assignment, consents to transfer, deeds, and other agreements, documents, and instruments of conveyance (collectively, the "Conveyance Instruments"); and

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Board of Supervisors of Willistown Township as follows:

Section 1. Approval of the Purchase Agreement

The Board of Supervisors hereby authorizes and approves the execution, delivery, and performance of the Purchase Agreement substantially in the form attached hereto as ***Exhibit A***. The Chair or Vice Chair of the Board of Supervisors are hereby authorized and directed on behalf of the Township to execute any and all papers and documents and to do and cause to be done any and all actions and things necessary or proper to execute the Purchase Agreement.

Section 2. Assignment of Intermunicipal Agreements and Other Relevant Agreements

The Board of Supervisors hereby authorizes and approves the assignment of the Township's rights and obligations under all relevant agreements. The Chair or Vice Chair of the Board of Supervisors are hereby authorized and directed on behalf of the Township to execute any and all papers and documents and to do and cause to be done any and all actions and things necessary or proper to effectuate such assignment, provided that the terms and conditions of all such papers and documents are satisfactory to the Township Solicitor and Special Counsel to the Township.

Section 3. Approval of Deeds, Certificates, and Related Documents

The Board of Supervisors hereby authorizes the execution and delivery by the Chair or Vice Chair of the Board of Supervisors of the Conveyance Instruments necessary and required to be executed.

Section 4. Disposition of Proceeds

The proceeds of the sale shall be utilized at the discretion of the Board of Supervisors in a manner consistent with the Code and other applicable law.

Section 5. Information and Cooperation

The Board of Supervisors hereby authorizes the Township, its agents and employees, to obtain and communicate the System billing information and any and all rights of the Township in connection therewith and other information required or desirable, in the sole discretion of the Township Manager, to Aqua and to cooperate with Aqua for the continued operation of the System and the use of the System Assets.

Section 6. General Authorization

The Board of Supervisors hereby further authorizes the Township, its agents and employees, to take any and all necessary actions required by the Code and other applicable law to complete the sale of the System Assets.

Section 7. Severability

The provisions of this Ordinance are intended to be severable, and if any section, sentence, clause, part or provision hereof shall be held illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the court shall not affect or impair the remaining sections, sentences, clauses, parts or provisions of this Ordinance. It is hereby declared to be the intent of the Board of Supervisors that this Ordinance would have been adopted even if such illegal, invalid or unconstitutional section, sentence, clause, part or provisions had not been included herein.

Section 8. Effective Date

This Ordinance shall take effect and be in force five (5) days from and after its approval as required under the Code.

Section 9. Repealer

All other ordinances and resolutions or parts thereof as they are inconsistent with this Ordinance are hereby repealed.

ENACTED AND ORDAINED this 14th day of December, 2020.

**BOARD OF SUPERVISORS
WILLISTOWN TOWNSHIP**

William R. Shoemaker
William R. Shoemaker, Chair

Robert T. Lange
Robert T. Lange, Vice-Chair

Barbara L. Handelin
Barbara L. Handelin, Member

ATTEST;

Sally Slook
Sally Slook, Township Manager

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

Appraisals

15. For each UVE in this case, please provide the following, if not already provided:

- a. A list of valuations of utility property performed by the UVE;
- b. A list of appraisals of utility property performed by the UVE
- c. A list of all dockets in which the UVE submitted testimony to a public utility commission related to the appraisal of utility property; and
- d. An electronic copy of or electronic link to testimony in which the UVE testified on public utility fair value acquisitions in the past two years.

Response: Harold Walker III:

- a. Please see Mr. Walker's Curriculum Vitae attached as Appendix A to Mr. Walker's direct testimony, included as Exhibit X to the Application (Aqua Statement No. 4). Starred items represent dockets where Mr. Walker presented testimony related to the appraisal of utility property.
- b. Please see Mr. Walker's response to a. above.
- c. Please see Mr. Walker's response to a. above.
- d. In the past two years, Mr. Walker submitted testimony in the below dockets. Links to the dockets where Mr. Walker testified are below:
 - i. Cheltenham Township – A-2019-3008491
<https://www.puc.pa.gov/docket/A-2019-3008491>
 - ii. East Norriton – A-2019-3009052
<https://www.puc.pa.gov/docket/A-2019-3009052>
 - iii. Kane Borough Authority - A-2019-3014248
<https://www.puc.pa.gov/docket/A-2019-3014248>
 - iv. Delaware County Regional Water Quality Control Authority – A-2019-3015173
<https://www.puc.pa.gov/docket/A-2019-3015173>

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and
Rate Consultants LLC
and
Jerome C. Weinert, Principal and Director, AUS Consultants
Date: August 3, 2021

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

- v. Borough of Royersford – A-2020-3019634
<https://www.puc.pa.gov/docket/A-2020-3019634>
- vi. Valley Township – A-2020-3019859
<https://www.puc.pa.gov/docket/A-2020-3019859>
- vii. Valley Township – A-2020-3020178
<https://www.puc.pa.gov/docket/A-2020-3020178>
- viii. Upper Pottsgrove Township – A-2020-3021460
<https://www.puc.pa.gov/docket/A-2020-3021460>
- ix. Lower Makefield Township – A-2021-3024267
<https://www.puc.pa.gov/docket/A-2021-3024267>
- x. Borough of Brentwood – A-2021-3024058
<https://www.puc.pa.gov/docket/A-2021-3024058>
- xi. East Whiteland Township – A-2021-3026132
<https://www.puc.pa.gov/docket/A-2021-3026132>

Jerome C. Weinert:

- a. Please see Mr. Weinert's Curriculum Vitae attached as Appendix A to Exhibit Y of the Application, direct testimony of Jerome C. Weinert (Aqua Statement No. 5).
- b. Please see Mr. Weinert's response to a., above.
- c. Please see the below list of dockets that Mr. Weinert submitted testimony to a public utility commission related to the appraisal of utility property:

A-2016-2580061 – New Garden
A-2017-2606103 – McKeesport
A-2018-3001582 – East Bradford
A-2018-3002437 – Sadsbury
A-2018-3004933 – Exeter
A-2019-3006880 – Steelton
A-2019-3008491 – Cheltenham
A-2019-3009052 – East Norriton
A-2020-3019634 – Borough of Royersford
A-2019-3014248 – Kane Borough
A-2020-3019859 – Valley Township

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and
Rate Consultants LLC
and
Jerome C. Weinert, Principal and Director, AUS Consultants
Date: August 3, 2021

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

A-2020-3020178 – Valley Township
A-2020-3021460 – Upper Pottsgrove Township
A-2021-3024267 – Lower Makefield Township
A-2021-3026132 – East Whiteland Township

d. In the past two years, Mr. Weinert submitted testimony in the below dockets.
Links to the dockets where Mr. Weinert testified are below:

- i. Steelton Borough – A-2019-3006880
<https://www.puc.pa.gov/docket/A-2019-3006880>
- ii. Cheltenham Township – A-2019-3008491
<https://www.puc.pa.gov/docket/A-2019-3008491>
- iii. East Norriton Township – A-2019-3009052
<https://www.puc.pa.gov/docket/A-2019-3009052>
- iv. Kane Borough – A-2019-3014248
<https://www.puc.pa.gov/docket/A-2019-3014248>
- v. Borough of Royersford – A-2020-3019634
<https://www.puc.pa.gov/docket/A-2020-3019634>
- vi. Valley Township – A-2020-3019859
<https://www.puc.pa.gov/docket/A-2020-3019859>
- vii. Valley Township – A-2020-3020178
<https://www.puc.pa.gov/docket/A-2020-3020178>
- viii. Upper Pottsgrove Township – A-2020-3021460
<https://www.puc.pa.gov/docket/A-2020-3021460>
- ix. Lower Makefield Township – A-2021-3024267
<https://www.puc.pa.gov/docket/A-2021-3024267>
- x. East Whiteland Township – A-2021-3026132
<https://www.puc.pa.gov/docket/A-2021-3026132>

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and
Rate Consultants LLC
and
Jerome C. Weinert, Principal and Director, AUS Consultants
Date: August 3, 2021

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

Appraisals

16. Please explain each discount rate used in the appraisals, including explanations of the capital structure, cost of equity and cost of debt. State the basis for each input. Provide all sources, documentation, calculations and/or workpapers used in determining the inputs.

Response: Harold Walker III:

Please see the direct testimony of Harold Walker III, included as Exhibit X to the Application (Aqua Statement No. 4) at p. 19-21, Exhibit Q to the Application (Gannett Appraisal), and **CONFIDENTIAL** Gannett electronic workpapers.

Jerome C. Weinert:

Please see the direct testimony of Jerome C. Weinert, Application Exhibit Y (Aqua Statement No. 5) at p. 17-19. Information on the discount rate can also be found in Application Exhibit No. R (AUS Appraisal), the section entitled "Cost of Capital / Required Return".

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and
Rate Consultants LLC
and
Jerome C. Weinert, Principal and Director, AUS Consultants
Date: August 3, 2021

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

Appraisals

17. Please explain whether the UVE used replacement cost or reproduction cost and why that methodology was chosen.

Response: Harold Walker III:

Gannett Fleming used the original cost new (OCN) to calculate the trended original cost (TOC) measures, or the reproduction cost of the depreciable assets by multiplying the OCN by specific cost indices. We converted reproduction cost new to replacement cost new (RCN) after factoring in obsolescence. We used the TOC method because the mandated use of the Engineering Assessment's original cost essentially dictates the use of TOC over the reproduction cost or the replacement cost methods. Please see the direct testimony of Harold Walker III, included as Exhibit X to the Application (Aqua Statement No. 4) at p. 16-17 for an explanation of why this method was chosen.

Jerome C. Weinert:

AUS Consultants used replacement cost. Please see the direct testimony of Jerome C. Weinert, Application Exhibit Y (Aqua Statement No. 5) at p. 6 for an explanation of why the replacement cost was chosen.

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and
Rate Consultants LLC
and
Jerome C. Weinert, Principal and Director, AUS Consultants
Date: August 3, 2021

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

Appraisals

18. Please provide a copy of the source for the purchase price and number of customers for each comparable acquisition used in the appraisals.

Response: Harold Walker III:

Please see pages 9 to 64 of Exhibit 20 (workpapers) from Exhibit Q to the Application (Gannett Appraisal) for the source for the purchase price and number of customers for each comparable acquisition used in the Gannett Appraisal.

Jerome C. Weinert:

The source of the purchase prices used in the comparable sales approach to the Market Approach was the Asset Purchase Agreements in those transactions. Please see SDR-18 Attachment 1 for excerpts from those Agreements. Mr. Weinert did not consider number of customers in his comparable sales approach to the Market Approach. Mr. Weinert compared purchase price to original cost less depreciation and to replacement cost new less depreciation in the comparable sales approach.

Pennsylvania Section 1329 Water and Wastewater Transactions

Utility System	Acquirer	Date	Purchase Price \$
New Garden Sewer System	Aqua Pennsylvania (Aqua PA)	August 2016	29,500,000
McKeesport Wastewater	Pennsylvania American (PAWC)	September 2016	156,000,000
Limerick Wastewater	Aqua PA	November 16, 2016	75,100,000
East Bradford Wastewater	Aqua PA	December 20, 2017	5,000,000
Sadsbury Wastewater	PAWC	September 5, 2017	9,500,000
Mahoning Water	SUEZ	April 20, 2018	4,734,800
Mahoning Wastewater	SUEZ	April 20, 2018	4,765,200
Steelton Water	PAWC	November 14, 2018	22,500,000
Exeter Wastewater	PAWC	May 28, 2018	96,000,000
Cheltenham Wastewater	Aqua PA	June 2018	50,250,000
East Norriton Wastewater	Aqua PA	October 29, 2018	21,000,000
Kane Wastewater	PAWC	September 30, 2018	17,560,000
Royersford Wastewater	PAWC	December 10, 2019	13,000,000
Valley Water	PAWC	December 17, 2019	7,325,000
Valley Wastewater	PAWC	December 17, 2019	13,950,000
DELCORA	Aqua PA	September 17, 2019	276,500,000
Upper Pottsgrove	PAWC	April 28, 2020	13,750,000
Lower Makefield	Aqua PA	September 17, 2020	53,000,000

East Whiteland Township, Pennsylvania
East Whiteland Township's Wastewater Collection System and Purchased Treatment Capacity
Wastewater Collection System and Purchased Treatment Capacity
Investor-Owned Utility
As of January 8, 2021

Comparable Sales Approach

Market Sales Data

RowID	Approximate Date	Buyer	Seller	County	Type of Facility Wastewater Collection and Treatment	Initial Purchase Price	Final Purchase Price ¹	Number of Total Customers	Relationship to the passage of Section 1329
1	9/1/2016	PA American Water	City of McKeesport	Allegheny	Wastewater Collection and Paid for and Owned Treatment Wastewater Collection and Treatment System Wastewater Collection and paid for treatment Capacity	156,000,000	159,000,000	21,953	Post
2	8/1/2016	Aqua PA	New Garden Twp. SA	Chester	Wastewater Collection and Paid for and Owned Treatment Wastewater Collection and Treatment System Wastewater Collection and paid for treatment Capacity	29,500,000	29,500,000	2,106	Post
3	11/16/2016	Aqua PA	Limerick Township	Montgomery	Wastewater Collection and Treatment System Wastewater Collection and paid for treatment Capacity	75,100,000	64,373,378	5,434	Post
4	12/10/2017	Aqua PA	East Bradford Township	Chester	Water Distribution System	5,000,000	5,000,000	1,248	Post
5	4/20/2018	SUEZ	Mahoning	Carbon	Wastewater Collection	4,734,800	4,734,800	1,186	Post
6	4/20/2018	SUEZ	Mahoning	Carbon	Wastewater Collection	4,765,200	4,765,200	1,451	Post
7	6/1/2018	Aqua PA	Cheltenham	Montgomery	Wastewater Collection	50,250,000	50,250,000	10,500	Post
8	11/14/2018	PA American Water	Steelton	Dauphin	Water Distribution and Treatment	22,500,000	21,750,000	2,325	Post
9	1/1/2017	PA American Water	Sadsbury	Chester	Wastewater Collection Wastewater Collection and Treatment	9,250,000	8,600,000	998	Post
10	5/28/2018	PA American Water	Exeter	Berks	Wastewater Collection Wastewater Collection and Treatment	96,000,000	93,500,000	9,000	Post
11	10/29/2018	Aqua PA	East Norriton	Montgomery	Wastewater Collection Wastewater Collection and Treatment	21,000,000	21,000,000	4,950	Post
12	9/30/2018	PA American	Kane	McKean	Wastewater Collection and Treatment Wastewater Collection and Treatment	17,560,000	17,560,000	2,006	Post
13	12/10/2019	PA American	Royersford	Montgomery	Wastewater Collection and Treatment	13,000,000	13,000,000	1,596	Post
14	12/17/2019	PA American	Valley	Chester	Water Treatment and Distribution System	7,325,000	7,325,000	1,459	Post
15	12/17/2019	PA American	Valley	Chester	Wastewater Collection System	13,950,000	13,950,000	1,644	Post
16	12/31/2019	Aqua PA	Delaware County Regional Wa	Delaware	Wastewater Collection and Treatment	276,500,000	276,500,000	16,473	Post
17	4/28/2020	PA American Water	Upper Pottsgrove	Montgomery	Wastewater Collection Wastewater Collection and Purchased Treatment Capacity	13,750,000	13,750,000	1,428	Post
18	9/17/2020	Aqua PA	Lower Makefield	Bucks	Wastewater Collection and Treatment	53,000,000	53,000,000	11,151	Post

ASSET PURCHASE AGREEMENT

Between

NEW GARDEN TOWNSHIP

And

NEW GARDEN TOWNSHIP SEWER AUTHORITY

And

AQUA PENNSYLVANIA WASTEWATER, INC.

August ____, 2016

New
GARDEN

b. The purchase price for the Assets will consist of payment of Twenty-nine Million Five Hundred Thousand Dollars (\$29,500,000.00) (the "Purchase Price") to be paid by Buyer at Closing in one lump sum payment of immediately available funds. Buyer and Seller agree that the results of the appraisals pursuant to Act 12 (as defined herein) shall have no effect on the Purchase Price.

c. Buyer also agrees to contribute Twenty Thousand Dollars (\$20,000.00) toward Seller's closing costs.

2.6 Assumption of Liabilities and Contracts

a. Buyer will (a) satisfy and comply with all conditions and requirements of the permits specified in Schedule 2.6(a) upon transfer of such permits to Aqua.

b. Seller and Buyer shall: (I) obtain consents to the assignment of the contracts listed on Schedule 2.6(b), section I from all parties to said contracts if required by the terms of the respective contracts; and (II) arrange for the termination or amendment of the contract listed on Schedule 2.6(b), section II and the execution of a new agreement or, in the case of an amendment, an assignment, that is agreeable to Aqua in its sole discretion, with any such new agreement to replace the terminated contract. The contracts listed on Schedule 2.6(b) are collectively referred to herein as the "Assumed Liabilities".

c. Seller hereby acknowledges that, following the effective time of Closing, Aqua shall be responsible for the provision of wastewater service to the customers of Seller.

d. All other liabilities and obligations of Seller shall remain the sole responsibility of Seller. Other than the Assumed Liabilities, Buyer shall not assume and shall not be liable for, and Seller shall indemnify and hold harmless Aqua and its officers, employees and agents from and against, any and all liabilities or obligations of Seller of any nature whatsoever whether express or implied, fixed or contingent, known or unknown at the time of Closing.

3. CLOSING

Closing hereunder (the "Closing") shall take place at the offices of Lamb McErlane PC, located at 24 E. Market St., West Chester, PA 19381 or other mutually agreed upon location, commencing at 10:00 a.m. local time, on the later to occur of: (i) one hundred fifty (150) days from the date Seller accepts Buyer's offer, as evidenced by the date of Seller's execution of this Agreement, and (ii) forty-five (45) days (a) after receipt of the last required unappealed regulatory approval of the transactions contemplated herein and (b) fulfillment of all conditions precedent under Section 4 hereof. Seller may terminate this Agreement should Buyer fail to obtain unappealed regulatory approval of the transactions contemplated herein within 365 days of the Effective Date, unless mutually extended in writing. The date of the Closing is referred to herein as the "Closing Date". The effective time of the Closing shall be 12:01 a.m. on the day following the Closing Date.

Execution Copy

ASSET PURCHASE AGREEMENT

By and Among

THE CITY OF MCKEESPORT,

THE MUNICIPAL AUTHORITY OF THE CITY OF MCKEESPORT

AS SELLER

and

PENNSYLVANIA AMERICAN WATER COMPANY

AS BUYER

Dated as of September ___, 2016

118857971_10

Execution Copy

not set forth on Schedule 4.15 (as may be updated pursuant to (o)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract shall be deemed an Assigned Contract for all purposes hereunder.

(e) From the date of this Agreement until the Closing Date, the Seller shall collect accounts receivable and pay accounts payable in the ordinary course and in a manner consistent with its past practices.

ARTICLE III.

ESCROW AND PURCHASE PRICE

Section 3.01. Escrow Amount. At Closing, Seven Million Eight Hundred Thousand Dollars (\$7,800,000) of the Purchase Price (defined below) shall be deposited in escrow (the "Escrow Fund") with the Escrow Agent pursuant to an escrow agreement in the form of Exhibit A, by and among the Seller, the City, the Buyer and the Escrow Agent (the "Closing Escrow Agreement") to provide for any indemnification claims of the Buyer due and payable by the Seller pursuant to Section 8.02 herein; *provided, however*, that the Escrow Fund shall be released to the Seller or the City (in accordance with the Closing Escrow Agreement) on the Escrow Release Date, except for any amount reasonably required to cover any indemnification claim made by the Buyer prior to such date.

Section 3.02. Purchase Price. The purchase price for the Acquired Assets shall be One Hundred Fifty-Six Million Dollars (\$156,000,000) or the final appraised value as determined under 66 Pa.C.S. Section 1329, whichever is higher (the "Purchase Price") which shall be paid as follows:

(a) Within five (5) Business Days of the Effective Date, Buyer shall deposit Five Million Dollars (\$5,000,000) of the Purchase Price, payable to the City in immediately available funds (the "Signing Cash Deposit"), subject to Section 14.02 and secured by the City with a duly executed note (the "Deposit Note"), in the form attached hereto as Exhibit B;

(b) Within five (5) Business Days of receipt of written notice from the City that it has due and owing specific payables which meet the definition of Appropriate Use, such payables meet or exceed the amount set forth below and such payables are specifically identified in said notice, but in any case not prior to January 15, 2017, Buyer shall deposit Two Million Dollars (\$2,000,000) of the Purchase Price, payable to the City in immediately available funds (the "2017 Cash Deposit" and together with the Signing Cash Deposit, the "Deposits"), subject to Section 14.02 and secured by the City with the Deposit Note.

(c) At Closing, Buyer shall (i) provide for payment in full the total amount of Outstanding Indebtedness (less any amounts of Outstanding Indebtedness actually assumed by

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

By and Between

Limerick Township, Montgomery County

As Seller

and

Aqua Pennsylvania Wastewater, Inc.

As Buyer

Dated as of November 16, 2016

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Parties the economic and, to the extent permitted under applicable Law, operational equivalent of the transfer of such Nonassignable Asset to Buyer at the Closing and the performance by Buyer of its obligations with respect thereto, and so long as the Seller transfers and turns over all economic and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under applicable Law and the terms of any applicable contract that constitutes a Nonassignable Asset, as agent or subcontractor for the Seller, pay, perform and discharge the liabilities and obligations of the Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would constitute Assumed Liabilities if the applicable consent or approval had been obtained on or prior to the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under applicable Law, the Seller shall, at Buyer's expense, hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by the Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the date hereof and prior to the Closing, Buyer identifies any contract to which the Seller is a party which is not identified on Schedule 4.15 as an Assigned Contract as of the date hereof, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 identifying such contract, and such contract shall thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) In the event that, during the twelve (12) month period following the Closing, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract shall be deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

PURCHASE PRICE AND ADDITIONAL CONSIDERATION

Section 3.01. Purchase Price and Additional Consideration. The purchase price for the Acquired Assets shall be Seventy-Five Million One Hundred Thousand Dollars (\$75,100,000) (the "Purchase Price") which shall be paid as follows at Closing:

(a) Buyer shall (i) provide for the payment in full the total amount of Outstanding Indebtedness; and

(b) Subject to any adjustment in Purchase Price resulting from the proration procedures set forth in Section 3.01(c), Buyer shall pay to the Seller at Closing by wire transfer

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ASSETS PURCHASE AGREEMENT
Between
EAST BRADFORD TOWNSHIP
And
AQUA PENNSYLVANIA WASTEWATER, INC.

December 20, 2017

within thirty (30) days after receipt thereof.

INST
Bardheo

1.4 Excluded Assets

The Assets shall not include any of the following (collectively, the "Excluded Assets"):

- a. Any and all customer service laterals that run from the curb area (or edge of road or right-of-way) to each of the individual customer's residences or structures.
- b. Any and all piping and fixtures internal to each of the individual customer's residences or structures.
- c. Any of Seller's cash, investments, cash equivalents and accounts, including without limitation any accounts receivable or unbilled charges for Services furnished for periods prior to and up to the Closing Date.
- d. The real and personal property, including the improvements on said real property, described in Schedule 1.4.
- e. Any other asset, property, easement or interest as is shown in Schedule 1.4.

1.5 Consideration

The aggregate cash purchase price for the Assets is FIVE MILLION U.S. Dollars (\$5,000,000.00) (the "Purchase Price"). The Purchase Price shall be paid by Buyer at Closing, by wire transfer of immediately available funds to Seller.

Buyer and Seller agree to utilize the procedures under Act 12 of 2016, 66 Pa. C.S. § 1329 ("Section 1329") in completing this transaction.

Buyer agrees to and shall (i) assume at Closing the Assumed Liabilities (hereinafter defined), and (ii) pay at Closing Seller's actual, out-of-pocket costs incurred for services performed, excluding attorneys' fees, after the date of this Agreement in order to comply with the PUC Implementation Order, provided such costs do not relate to the Original Cost Study or any update thereto, and further provided such costs do not relate to the preparation and completion of the Seller's Utility Valuation Expert appraisal report and any additional work by the Seller's Utility Valuation Expert necessary to assist in the processing and prosecution of the application to the Pennsylvania Public Utility Commission ("PUC") in regard to this transaction under Section 1329. Buyer and Seller will be responsible for the costs associated with their respective Utility Valuation Experts. Buyer and Seller agree that the costs associated with the licensed engineer to develop and finalize the Engineer's Assessment will be paid fifty percent (50%) by Buyer and fifty percent (50%) by Seller.

Upon its execution and delivery of this Agreement to the Seller, the Buyer shall obtain a performance bond equal to ten percent (10%) of the Purchase Price (the "Bond"). The Bond

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of SUEZ Water Pennsylvania Inc.,	:	
Pursuant to the Pennsylvania Public Utility Code,	:	A-2018-3003517
66 Pa. C.S. § 1102(a), and 66 Pa. C.S. § 1329	:	
For approval of 1) the transfer, by sale, of	:	
Substantially all of the Township of Mahoning's	:	
Assets, properties and rights related to its	:	
Wastewater collection and conveyance system to	:	
SUEZ Water Pennsylvania Inc., and 2) the rights	:	
Of SUEZ Water Pennsylvania Inc. to begin to	:	
Offer or furnish Wastewater collection and	:	
Conveyance service to the public in portions of the	:	
Townships of Mahoning, Cooper and Valley,	:	
Montour County, Pennsylvania	:	

Application of SUEZ Water Pennsylvania Inc.,	:	
Pursuant to the Pennsylvania Public Utility Code,	:	A-2018-3003519
66 Pa. C.S. § 1102(a), and 66 Pa. C.S. § 1329	:	
For approval of 1) the transfer, by sale, of	:	
Substantially all of the Township of Mahoning's	:	
Assets, properties and rights related to its water	:	
Distribution system to SUEZ Water	:	
Pennsylvania Inc., and 2) the rights of SUEZ Water	:	
Pennsylvania Inc. to begin to offer or furnish	:	
Water distribution service to the public in	:	
Portions of the Townships of Mahoning, Cooper	:	
And Valley, Montour County, Pennsylvania	:	

RECOMMENDED DECISION

Before
Joel H. Cheskis
Deputy Chief Administrative Law Judge

this issue is ripe for review and does not construe the Joint Petitioners' assent to this term to operate as their preapproval of SUEZ Water Pennsylvania Inc.'s request.

9. That SUEZ Water Pennsylvania Inc. may defer depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes. The Commission recognizes that the Joint Petitioners reserve their rights to litigate their positions fully in future rate cases when this issue is ripe for review and does not construe the Joint Petitioners' assent to this term to operate as their preapproval of SUEZ Water Pennsylvania Inc.'s request.

10. That, pursuant to 66 Pa. C.S. § 1329(d)(iv), SUEZ Water Pennsylvania Inc. may include, in its next base rate case, a claim for transaction and closing costs related to the acquisition of the Mahoning water and wastewater systems. The Commission recognizes that the Joint Petitioners reserve their rights to litigate their positions fully in future rate cases when this issue is ripe for review and does not construe the Joint Petitioners' assent to this term to operate as their preapproval of SUEZ Water Pennsylvania Inc.'s request.

11. That the Commission's Secretary's Bureau shall issue Certificates of Filing or approvals for the following agreements between SUEZ Water Pennsylvania Inc. and a municipal corporation:

- (1) Asset Purchase Agreement Between Township of Mahoning and SUEZ Water Pennsylvania Inc., dated April 20, 2018;
- (2) Water Service Agreement dated July 9, 2001, between Danville Municipal Authority and Mahoning Township Authority;
- (3) Service Agreement dated October 17, 2005 between Valley Township and Mahoning Water Authority;
- (4) Connection and Conveyance Agreement dated October 16, 2017 between the Township of Mahoning and Cooper Township Municipal Authority;
- (5) Service Agreement dated October 17, 2005 between Valley Township and Mahoning Sewer Authority;

13. SWPA was notified by Mahoning that SWPA was selected as the successful bidder for the Systems, and Mahoning sent a draft asset purchase agreement to SWPA for review and comment. SWPA Statement No. 1 p. 9.

14. The final asset purchase agreement (“APA”) was signed on April 20, 2018. SWPA Statement No. 1 p. 9.

15. The APA sets forth the terms and conditions pursuant to which Mahoning will sell, and SWPA will purchase, substantially all assets, properties and rights that Mahoning owns and uses in connection with the Systems. Under the APA, the closing of the Transaction will occur after the receipt of all applicable governmental approvals, including approvals from the Commission, and after all applicable conditions have been met (or waived) by the parties. SWPA Statement No. 1 p. 10.

16. Upon closing of the Transaction, SWPA will take ownership of the Systems and begin rendering water distribution and wastewater collection and conveyance services to Mahoning’s current customers and Mahoning will permanently discontinue providing or furnishing water distribution and wastewater collection and conveyance service to the public. SWPA Statement No. 1 p. 10.

17. The negotiated purchase price is \$9,500,000 for both the Water System and the Wastewater System. SWPA has allocated \$4,734,800 of the negotiated purchase price to the Water System and \$4,765,200 of the negotiated purchase price to the Wastewater System. SWPA Statement No. 1 pp. 11-12.

D. The Application and the Utility Valuation Expert (“UVE”) Appraisals

18. On July 20, 2018, SWPA filed an application with the Commission to acquire the Water System (the “Water Application”) and an application to acquire the Wastewater System (“Wastewater Application”) (together, the “Applications”). Water

ASSET PURCHASE AGREEMENT
BETWEEN
TOWNSHIP OF SADBURY
AND
PENNSYLVANIA-AMERICAN WATER COMPANY

SEPTEMBER 5, 2017

(c) Any and all grinder pumps, piping and fixtures located at the curb-line or edge-of-the road to and throughout the customer's property and included as components of the Customer Sewer Laterals;

(d) Any and all stormwater system facilities including, but not limited to: (a) facilities located on, in, within, or under the real property, including easements, that is a part of the Assets, (b) facilities that are connected to the System and located within the public rights-of-way and (c) facilities or assets used in the operation of a municipal separate stormwater system;

(e) Seller's cash on hand on the date of Closing and Seller's account receivables related to the System for services rendered through the close of business on the Closing Date;

(f) All rights of Seller under this Agreement and related Bill of Sale and Assignment of Contracts Agreement as it pertains to the transfer and sale herein contemplated; and

(g) the specific assets, properties and rights of Seller set forth on Schedule 1.3.

1.4 Accounts Receivable. Accounts receivable for wastewater services related to the System rendered through the close of business on the Closing Date shall be excluded assets as per Section 1.3, and accounts receivable for wastewater services related to the System rendered thereafter shall belong to PAWC.

ARTICLE 2 PURCHASE PRICE

2.1 Purchase Price for the Assets.

(a) Upon its execution and delivery of this Agreement to the Seller, PAWC shall remit a deposit of THIRTY SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$37,500.00) (i) which shall be retained by Seller in the event that the Closing does not occur for any reason other than Seller's default under this Agreement or a failure of a condition precedent under Section 8.1 below, and (ii) which, in the event of Closing, shall be applied to the Purchase Price.

(b) Subject to the terms and conditions of this Agreement, the purchase price (the "Purchase Price") for the Assets shall be NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000.00). The parties agree that the Purchase Price represents the "negotiated purchase price" for such Assets, pursuant to the valuation process set forth in Section 1329 of the Public Utility Code, 66 Pa.C.S. § 1329. The Purchase Price shall be payable directly to Seller on the Closing Date by wire transfer or by corporate check, at Seller's discretion.

2.2 Use of Fair Market Valuation Process. Following the execution of this Agreement, PAWC and Seller shall each take such any and all further actions as are necessary to invoke, commence and complete the fair market valuation process set forth in Section 1329 of the Public Utility Code, 66 Pa.C.S. § 1329. Without limiting the generality of the foregoing, PAWC and Seller have each engaged a utility valuation expert from the list of such experts maintained by the Pennsylvania Public Utility Commission ("PUC") and have jointly selected and engaged a licensed engineer for the purposes set forth in Section 1329(a)(4) of the Public Utility Code, 66 Pa.C.S. § 1329(a)(4). The final reports of each of the two utility valuation experts are attached as Schedule 2.2. All costs and expenses associated with the utility valuation experts shall be the responsibility of the party engaging such expert. All costs and expenses associated with the licensed engineer jointly selected by the parties were shared equally between PAWC and Seller prior to the execution of this Agreement. PAWC

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ASSET PURCHASE AGREEMENT

By and Between

Steelton Borough Authority

As Seller

and

Pennsylvania-American Water Company

As Buyer

Dated as of November 14, 2018

the Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the date hereof and prior to the Closing, Buyer identifies any contract to which the Seller is a party which is not identified on Schedule 4.15 as an Assigned Contract as of the date hereof, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 identifying such contract, and such contract shall thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) In the event that, during the twelve (12) month period following the Closing, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract shall be deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

PURCHASE PRICE

Section 3.01 Purchase Price.

(a) Purchase Price for the Assets. Subject to the terms and conditions of this Agreement, the purchase price ("Purchase Price") for the Acquired Assets shall be Twenty Two Million Five Hundred Thousand Dollars (\$22,500,000). The Purchase Price shall be payable directly to seller on the Closing Date by wire transfer.

(b) Use of Fair Market Valuation Process. Following the execution of this Agreement, Buyer and Seller shall each take such actions as are necessary to invoke, commence and complete the fair market valuation process set forth in Section 1329 of the Public Utility Code, 66 Pa.C.S. §1329. Without limiting the generality of the foregoing, Buyer and Seller shall each engage a utility valuation expert other than HRG from the list of such experts maintained by the PaPUC and shall jointly utilize HRG, a licensed engineer for the purposes set forth in Section 1329(a)(4) of the Public Utility Code, 66 Pa.C.S. §1329(a)(4). All costs and expenses associated with the licensed engineer jointly utilized by the parties shall be shared equally between the Buyer and Seller. Seller agrees that Buyer shall prosecute an application for approval of the transaction contemplated by this Agreement and Buyer agrees that: (1) Seller has the right to intervene and participate in any regulatory or legal proceeding relating to the application, including negotiation or execution of a settlement agreement related to the application; (2) Buyer shall not oppose

ASSET PURCHASE AGREEMENT
Between
TOWNSHIP OF EXETER
(as Seller)
and
PENNSYLVANIA-AMERICAN WATER COMPANY
(AS BUYER)
dated as of May 29, 2018

Article 2.4 Excluded Liabilities. Any other liabilities and obligations of Seller shall remain the sole responsibility of Seller, including any liabilities and obligations of Seller arising under or to be performed under the Collective Bargaining Agreement and any liabilities or obligations with respect to any Compensation Plan that the Seller maintains, contributes to, has an obligation to contribute to or otherwise has any liability with respect thereto, and any withdrawal liability or funding obligation incurred by Buyer on or after the Closing with respect to any multi-employer pension plan (the "Excluded Liabilities").

Article 2.5 Customer Billing. Unless Buyer and Seller agree to a different procedure prior to Closing, Seller shall issue final bills for all customer accounts in accordance with its current billing practices after the Closing Date.

Article 2.6 Purchase Price.

Excluded

a) **Purchase Price.** Subject to Section 3.4, the purchase price for the sale, transfer, assignment, conveyance and delivery of the Assets shall be \$96,000,000.00 as may be adjusted in accordance with the terms of this Agreement (the "Purchase Price"), which shall be paid by Buyer to Seller at Closing in one lump sum payment by cash or by wire transfer of immediately available funds. Buyer and Seller agree that the results of any appraisals pursuant to Act 12 (defined below) shall have no effect on the Purchase Price.

b) **Deposit.** Within fourteen (14) days after the Effective Date, Buyer shall remit a deposit in the form of a performance bond in substantially the form attached hereto as Exhibit "A" (the "Bond") in the amount of \$9,600,000.00 (equal to ten percent (10%) of the Purchase Price) ("Deposit"). The Bond is payable to Seller and the surety company shall pay to Seller the amount of the Bond under the circumstances set forth in Sections 10.1(a) and 10.2(c), if applicable. Upon Closing, Seller will provide a full and unconditional discharge and release of the Bond by way of a written release letter addressed to and in a form reasonably satisfactory to the surety company (the "Bond Release").

c) **Intentionally Deleted.**

d) **Transfer Taxes.** Any and all deed stamps or transfer taxes that may be due the Commonwealth of Pennsylvania or any political subdivision in connection with the sale, transfer, assignment, conveyance and delivery hereunder of the Assets to Buyer (collectively, "Transfer Taxes"), shall be borne equally between Buyer and Seller.

**ARTICLE 3
CLOSING**

Article 3.1 Closing. The Closing hereunder (the "Closing") shall take place at the offices of Fox Rothschild LLP at 2000 Market Street, Philadelphia, Pennsylvania, or other mutually agreed upon location, commencing at 10:00 a.m. local time, within five (5) Business Days after the date upon which all the conditions precedent to Closing described in this Agreement have been fulfilled or waived, or at such other place and time as may be mutually agreed to by the

Execution Copy

ASSET PURCHASE AGREEMENT

By and Between

Township of Cheltenham, Montgomery County

As Seller

and

Aqua Pennsylvania Wastewater, Inc.

As Buyer

Dated as of June __, 2018

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ARTICLE III.

PURCHASE PRICE

Cheltenham

Section 3.01. Purchase Price

. The purchase price for the Acquired Assets shall be Fifty Million Two Hundred Fifty Thousand Dollars (\$50,250,000) (the "Purchase Price") which shall be paid as follows at Closing:

(a) Buyer shall (i) provide for payment in full of the total amount of Outstanding Indebtedness (less any amounts of Outstanding Indebtedness actually assumed by Buyer pursuant to clause (ii) below) and/or (ii) subject to the provisions of Section 7.07, assume any of Seller's obligations related to the Outstanding Indebtedness and obtain a release of Seller from all obligations thereunder in such form and terms reasonably acceptable to Seller and/or provide written evidence of such payment in full to Seller in such form reasonably acceptable to Seller, at Buyer's discretion;

(b) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(c), to Seller by wire transfer of immediately available funds the balance of the Purchase Price (after taking into account the amount paid or assumed by Buyer pursuant to Section 3.01(b)) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days prior to the Closing Date.

(c) **Final Billing:** The Parties agree that Buyer shall be entitled to all customer billings with respect to sanitary wastewater customers services for the period on or after the Closing Effective Time, and Seller shall be entitled to all such billings for the period prior to the Closing Effective Time. The Parties shall cooperate to calculate an agreed upon proration of billing amounts and to the extent that either Party collects billings that are attributable to service provided by the other Party, the Party holding the other Party's billing collections shall pay such amount to the other Party.

Section 3.02. Fair Consideration

. The Parties acknowledge and agree that the consideration provided for in this Article III represents fair consideration and reasonable equivalent value for the sale and transfer of the Acquired Assets and the transactions, covenants and agreements set forth in this Agreement, which consideration was agreed upon as the result of arm's-length good faith negotiations between the Parties and their respective Representatives.

Section 3.03. Allocation of the Purchase Price

. Buyer and Seller agree that the Purchase Price (which for purposes of this Section 3.03 shall include any liabilities required to be treated as part of the Purchase Price for federal income tax

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Execution Version

ASSET PURCHASE AGREEMENT

By and Between

Township of East Norriton, Montgomery County

As Seller

and

Aqua Pennsylvania Wastewater, Inc.

As Buyer

Dated as of October 29, 2018

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Aqua-East Norriton Asset Purchase Agreement

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ARTICLE III

PURCHASE PRICE

East Norriton

Section 3.01. Purchase Price. The purchase price for the Acquired Assets shall be Twenty-One Million Dollars (\$21,000,000) (the "Purchase Price") which shall be paid as follows at Closing:

(a) Buyer shall (i) provide for payment in full of the total amount of Outstanding Indebtedness (less any amounts of Outstanding Indebtedness actually assumed by Buyer pursuant to clause (ii) below) and/or (ii) subject to the provisions of Section 7.06, assume any of Seller's obligations related to the Outstanding Indebtedness and obtain a release of Seller from all obligations thereunder in such form and terms reasonably acceptable to Seller and/or provide written evidence of such payment in full to Seller in such form reasonably acceptable to Seller, at Buyer's discretion;

(b) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(c), to Seller by wire transfer of immediately available funds the balance of the Purchase Price (after taking into account the amount paid or assumed by Buyer pursuant to Section 3.01(b)) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days prior to the Closing Date.

(c) **Final Billing:** The Parties agree that Buyer shall be entitled to all customer billings with respect to sanitary wastewater customers services for the period on or after the Closing Effective Time, and Seller shall be entitled to all such billings for the period prior to the Closing Effective Time. The Parties shall cooperate to calculate an agreed upon proration of billing amounts and to the extent that either Party collects billings that are attributable to service provided by the other Party, the Party holding the other Party's billing collections shall pay such amount to the other Party.

Section 3.02. Fair Consideration. The Parties acknowledge and agree that the consideration provided for in this Article III represents fair consideration and reasonable equivalent value for the sale and transfer of the Acquired Assets and the transactions, covenants and agreements set forth in this Agreement, which consideration was agreed upon as the result of arm's-length good faith negotiations between the Parties and their respective Representatives.

Section 3.03. Allocation of the Purchase Price. At Buyer's request and Seller shall agree that the Purchase Price (which for purposes of this Section 3.03 shall include any liabilities required to be treated as part of the Purchase Price for federal income tax purposes), as may be adjusted pursuant to this Section 3.03, shall be allocated among the Acquired Assets in accordance with the allocation reflected in a schedule prepared by Buyer in accordance with this Section 3.03 (the "Allocation Schedule"). Within sixty (60) days following the final determination of the Purchase Price pursuant to Section 3.01, Buyer shall deliver to Seller a draft of the Allocation Schedule setting forth Buyer's proposed allocation for Seller's review. Seller shall have the right to review and reasonably comment upon Buyer's proposed Allocation Schedule, *provided*, that (a) such proposed Allocation Schedule shall be deemed approved by Seller and shall be final and binding upon the Parties unless Seller provides written notice of

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ASSET PURCHASE AGREEMENT
BETWEEN
BOROUGH OF KANE AUTHORITY, TOGETHER WITH
BOROUGH OF KANE AND WETMORE TOWNSHIP
AND
PENNSYLVANIA-AMERICAN WATER COMPANY

November 4, 2019

Purchase Price \$ 17,560,000
APA Pg 3

{L0825790.2}

(b) Following the Closing, PAWC shall assume only those contractual liabilities arising after the Closing Date under the Assigned Contracts (specifically excluding any liability under the Assigned Contracts arising out of or relating to a breach or other circumstances that occurred on or prior to the Closing Date).

1.3 Excluded Assets. Notwithstanding anything to the contrary contained in this Agreement, the Assets shall not include any of the following:

(a) Any and all connecting facilities (customer's sewer laterals) from the Seller's wastewater lines, mains or collection facilities at the curb-line or edge-of-road that are within the customer's property (the "**Customer Sewer Laterals**");

(b) Any and all piping and fixtures internal to each individual customer's structure (whether residential, commercial, industrial or other types);

(c) Any and all grinder pumps, piping and fixtures located at the curb-line or edge-of-the road that are within the customer's property;

(d) Any and all stormwater system facilities including, but not limited to: (a) facilities located on, in, within, or under the real property, including easements, that is a part of the Assets, (b) facilities that are connected to the System and located within the public right-of-way and (c) facilities or assets used in the operation of a municipal separate stormwater system;

(e) Seller's cash on hand on the date of Closing and Seller's accounts receivable related to the System for services rendered through the close of business on the Closing Date;

(f) All rights of Seller under this Agreement and related Bill of Sale and Assignment of Contracts Agreement as it pertains to the transfer and sale herein contemplated; and

(g) The specific assets, properties and rights of Seller set forth on **Schedule 1.3**.

1.4 Accounts Receivable. Accounts receivable for wastewater services related to the System rendered through the close of business on the Closing Date shall be excluded assets as per **Section 1.3**, and accounts receivable for wastewater services related to the System rendered thereafter shall belong to PAWC.

ARTICLE 2

PURCHASE PRICE

2.1 Purchase Price for the Assets. Subject to the terms and conditions of this Agreement, the negotiated purchase price shall be Seventeen Million, Five Hundred Sixty Thousand Dollars (\$17,560,000.00) (the "**Purchase Price**"). The Purchase Price shall be payable directly to Seller on the Closing Date by wire transfer or by corporate check, at the Seller's discretion.

2.2 Use of Fair Market Valuation Process. Following the execution of this Agreement, PAWC and Seller shall each take such further actions as are necessary to invoke, commence and complete the fair market valuation process set forth in Section 1329 of the Public Utility Code, 66 Pa.C.S. § 1329. Without limiting the generality of the foregoing, PAWC and Seller have each engaged a utility valuation expert from the list of such experts maintained by the Pennsylvania Public Utility Commission ("PUC") and have jointly selected and engaged a licensed engineer for the purposes set forth in Section 1329(a)(4) of the Public Utility Code, 66 Pa.C.S. § 1329(a)(4). All costs and expenses associated with the utility valuation experts shall be the

EXECUTION COPY

ASSET PURCHASE AGREEMENT

By and Between

Royersford Borough, Montgomery County

As Seller

and

Pennsylvania-American Water Company

As Buyer

Dated as of December 10, 2019

permitted under Law and the terms of any applicable contract that is a Nonassignable Asset, as agent or subcontractor for Seller, pay, perform and discharge the liabilities and obligations of Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would be Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which Seller is a party which is not set forth on Schedule 4.15, and Buyer reasonably determines such contract is necessary or useful to the operation of the System, Buyer shall notify Seller of such determination and Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 reflecting the addition of such contract, and such contract will be an "Assigned Contract" for all purposes hereunder.

(d) If during the twelve (12) month period following the Closing, Buyer identifies any contract to which Seller was a party as of the Closing and which (i) was not set forth on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

PURCHASE PRICE

Section 3.01. Purchase Price. The purchase price for the Acquired Assets is Thirteen Million Dollars (\$13,000,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall provide for payment in full of the total amount of Outstanding Indebtedness directly to Seller's obligees on account of the Purchase Price;

(b) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(c), to Seller by wire transfer of immediately available funds the balance of the Purchase Price (remaining after the debt repayment pursuant to Section 3.01(a)) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

(c) **Final Billing:** The Buyer is entitled to all customer billings with respect to sanitary wastewater customers services for the period on or after the Closing Effective Time, and Seller is entitled to all such billings for the period before the Closing Effective Time. The Parties

**WATER
ASSET PURCHASE AGREEMENT**

By and Between

Valley Township, Chester County

As Seller

and

Pennsylvania-American Water Company

As Buyer

Dated as of December 17, 2019

and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under Law and the terms of any applicable contract that is a Nonassignable Asset, as agent or subcontractor for Seller, pay, perform and discharge the liabilities and obligations of Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would be Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which Seller is a party which is not set forth on Schedule 4.13, and Buyer reasonably determines such contract is necessary or useful to the operation of the System, Buyer shall notify Seller of such determination and Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.13 reflecting the addition of such contract, and such contract will be an "Assigned Contract" for all purposes hereunder.

(d) If during the twelve (12) month period following the Closing, Buyer identifies any contract to which Seller was a party as of the Closing and which (i) was not set forth on Schedule 4.13 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

PURCHASE PRICE AND ADDITIONAL PURCHASE PRICE

Section 3.01. Purchase Price.

The purchase price for the Acquired Assets is Seven Million Three Hundred Twenty-Five Thousand Dollars (\$7,325,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(b) and to release Liens, to Seller by wire transfer of immediately available funds the Purchase Price to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

(b) **Final Billing:** The Buyer is entitled to all customer billings with respect to drinking water customers services for the period on or after the Closing Effective Time, and Seller is entitled to all such billings for the period before the Closing Effective Time. The Parties

**SANITARY SEWER
ASSET PURCHASE AGREEMENT**

By and Between

Valley Township, Chester County

As Seller

and

Pennsylvania-American Water Company

As Buyer

Dated as of December 17, 2019

(b) Until such time as a Nonassignable Asset is transferred to Buyer pursuant to this Article II, Buyer and Seller shall cooperate in any commercially reasonable and economically feasible arrangements (such as subleasing, sublicensing or subcontracting) to provide to the Parties the economic and, to the extent permitted under Law, operational equivalent of the transfer of such Nonassignable Asset to Buyer at the Closing and the performance by Buyer of its obligations with respect thereto, and so long as Seller transfers and turns over all economic and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under Law and the terms of any applicable contract that is a Nonassignable Asset, as agent or subcontractor for Seller, pay, perform and discharge the liabilities and obligations of Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would be Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which Seller is a party which is not set forth on Schedule 4.13, and Buyer reasonably determines such contract is necessary or useful to the operation of the System, Buyer shall notify Seller of such determination and Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.13 reflecting the addition of such contract, and such contract will be an "Assigned Contract" for all purposes hereunder.

(d) If during the twelve (12) month period following the Closing, Buyer identifies any contract to which Seller was a party as of the Closing and which (i) was not set forth on Schedule 4.13 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

PURCHASE PRICE AND ADDITIONAL PURCHASE PRICE

Section 3.01. Purchase Price.

The purchase price for the Acquired Assets is Thirteen Million Nine Hundred Fifty Thousand Dollars (\$13,950,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(b), to Seller by wire transfer of immediately available funds the Purchase Price (remaining after the payments required in Section 3.01(a)) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

By and Among

The Delaware County Regional Water Quality Control Authority,

As Seller

and

Aqua Pennsylvania Wastewater, Inc.

As Buyer

Dated as of September 17, 2019

(c) If, following the Effective Date and prior to the Closing, Buyer identifies any contract to which the Seller is a party which is not identified on Schedule 4.15 as an Assigned Contract as of the Effective Date, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 identifying such contract, and such contract shall thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) If, during the twelve (12) month period following the Closing Date, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract shall be deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

ESCROW; PURCHASE PRICE AND ADDITIONAL PURCHASE PRICE

Section 3.01. Escrow Amount.

At Closing, Five Million Dollars (\$5,000,000) of the Purchase Price shall be deposited in escrow (the "Escrow Fund") with the Escrow Agent pursuant to an escrow agreement in the form of Exhibit B, by and among the Seller, the Buyer, and the Escrow Agent (the "Escrow Agreement") to provide for Seller's post-Closing obligations pursuant to Article VI. The Escrow Fund shall be released in accordance with the Escrow Agreement. After the Closing Date and notwithstanding any other provision of this Agreement, the Escrow Fund is Buyer's sole recourse with respect to providing for Seller's post-Closing obligations pursuant to Article VI.

Section 3.02. Purchase Price and Additional Consideration

The purchase price for the Acquired Assets shall be Two Hundred Seventy-Six Million Five Hundred Thousand Dollars (\$276,500,000) (the "Purchase Price") which shall be paid as follows at Closing:

(a) Buyer shall pay in full, fully fund or defease the total amount of Outstanding Indebtedness.

(b) Subject to any adjustment in Purchase Price resulting from the proration procedures set forth in Section 3.02(c) and after making the payments required in Sections 3.01 and 3.02(a), Buyer shall pay to the Seller by wire transfer of immediately available funds the balance of the Purchase Price to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days prior to the Closing Date.

**SANITARY SEWER
ASSET PURCHASE AGREEMENT**

By and Between

Upper Pottsgrove Township, Montgomery County

As Seller

and

Pennsylvania-American Water Company

As Buyer

Dated as of April 28, 2020

effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

PURCHASE PRICE AND ADDITIONAL PURCHASE PRICE

Section 3.01. Purchase Price.

The purchase price for the Acquired Assets is Thirteen Million Seven Hundred Fifty Thousand Dollars (\$13,750,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(b), to Seller by wire transfer of immediately available funds the Purchase Price less (i) debt repayments, if any, required to release any Liens on Acquired Assets, (ii) the deposit as provided in Section 3.01(c), and (iii) Seller's share of Transfer Taxes payable upon recording of real estate, if any, as provided in Section 3.03, to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

(b) Final Billing: The Buyer is entitled to all customer billings with respect to sanitary wastewater customers' services for the period on or after the Closing Effective Time, and Seller is entitled to all such billings for the period before the Closing Effective Time. The Parties shall cooperate to calculate an agreed upon proration of billing amounts and to the extent that either Party collects billings that are attributable to service provided by the other Party, the Party holding the other Party's billing collections shall pay such amount to the other Party.

(c) The Buyer shall pay a deposit of Ninety Thousand Dollars (\$90,000) within ten (10) days of the Effective Date to the Seller to be used for Seller's incurred engineering and legal fees related to this transaction. At the successful closing of the transaction, the deposit will be deducted from the Purchase Price at settlement. In the event that the transaction does not successfully close, the amount of the deposit that has not been spent on engineering and legal fees will be refunded to the Buyer. The amount of such refund will be calculated as of the date of a termination under Section 14.01 based on the Seller's expenditures and accrued expenses as of such date of termination. Any engineering and legal fees incurred by the Seller related to this transaction that exceed the \$90,000 deposit shall be the sole responsibility of the Seller.

Section 3.02. Fair Consideration.

The consideration provided for in this Article III represents fair consideration and reasonable equivalent value for the sale and transfer of the Acquired Assets and the transactions, covenants and agreements set forth in this Agreement, which consideration was agreed upon as the result of arm's length good faith negotiations between the Parties and their respective Representatives.

Section 3.03. Transfer Taxes.

ASSET PURCHASE AGREEMENT

By and Between

The Township of Lower Makefield, Bucks County

As Seller

and

Aqua Pennsylvania Wastewater, Inc.

As Buyer

Dated as of September 17, 2020

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the terms of any applicable contract that constitutes a Nonassignable Asset, as agent or subcontractor for the Seller, pay, perform and discharge the liabilities and obligations of the Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would constitute Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, the Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by the Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which the Seller is a party which is not identified on Schedule 4.14 as an Assigned Contract as of the Effective Date, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.14 identifying such contract, and such contract will thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) If, during the twelve (12) month period following the Closing Date, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.14 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract will be deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

PURCHASE PRICE AND ADDITIONAL CONSIDERATION

Section 3.01. Purchase Price and Additional Consideration

The purchase price for the Acquired Assets is Fifty Three Million Dollars (\$53,000,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay Three Million Dollars (\$3,000,000) to Seller as a deposit on account of the Purchase Price (the "Deposit") upon the earlier to occur of: (1) the third business day following Buyer's receipt of notice from the PaPUC that the application to the PaPUC for the transaction contemplated by this Agreement has been conditionally accepted; and (2) December 15, 2020. The Deposit shall be governed as follows:

(i) Subject to subparagraph (ii) below, Seller shall be free to use the Deposit upon receipt as it determines in Seller's sole discretion.

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and
Rate Consultants LLC
and
Jerome C. Weinert, Principal and Director, AUS Consultants
Date: August 3, 2021

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

Appraisals

19. Have Buyer's and Seller's UVE corresponded with regard to their respective fair market value appraisals of the assets at issue in this case? If yes, provide the following information:
- a. Identify the nature and date(s) of correspondence;
 - b. Identify the type(s) of correspondence (i.e. written, verbal, etc); and,
 - c. Provide copies of any written correspondence exchanged between the UVEs

Response: Harold Walker III:

No.

Jerome C. Weinert:

No.

Respondent: Mark J. Bubel, Sr. Project Engineer III of Aqua Pennsylvania, Inc.
and
Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants
LLC
and
Jerome C. Weinert, Principal and Director, AUS Consultants
Date: August 3, 2021

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

Miscellaneous

20. Are there any outstanding compliance issues that the Seller's system has pending with the PA Department of Environmental Protection. If yes, provide the following information:
- a. Identify the compliance issue(s);
 - b. Provide an estimated date of compliance;
 - c. Explain Buyer's anticipated or actual plan for remediation;
 - d. Provide Buyer's estimated costs for remediation; and,
 - e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

Response: a.- d. Compliance issues

Mark J. Bubel, Sr.

The Township does not currently have compliance issues. Please see the Direct Testimony of Mark J. Bubel, Sr., Application Exhibit V (Aqua Statement No. 2) page 14-15. The Township did not have any sanitary sewer overflows ("SSOs") in the system in 2020.

e. Cost of remediation

Harold Walker III:

Gannett Fleming's appraisal did not factor in specific projected remediation cost. However, the income approach does factor in (deduct) estimated capital expenditures when calculating future net cash flows. Historical remediation cost is reflected in the cost approach to the extent they are included in the Engineers Assessment's inventory.

Respondent: Mark J. Bubel, Sr. Project Engineer III of Aqua Pennsylvania, Inc.
and
Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants
LLC
and
Jerome C. Weinert, Principal and Director, AUS Consultants
Date: August 3, 2021

**AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests**

Jerome C. Weinert:

While the cost of remediation of the compliance issues of the system were not specifically considered in AUS's appraisal, the appraisal's various approaches address the remediation issue in their application. The Cost approach's recognition of depreciation, i.e., the difference between the replacement cost new of \$49,898,907 (a system without need for remediation) and the replacement cost new less depreciation of \$30,113,231 reflects the value diminishment (\$19,785,676) resulting from all causes, physical and functional depreciation related to wear and tear including such factors as remediation. Plant investment (replacement cost new less depreciation) was used along with historical plant expenditures in the income approach to project future expenditures (a deduction from cashflows) thus reducing the resultant income approach thereby addressing any remediation. The market approach was based on an analysis of market comparable to the depreciated original cost (OCLD) and the replacement cost less depreciation (RCNLD) both of which include the depreciation related to aging and wear and tear which also addresses any remediation costs.

AQUA PENNSYLVANIA WASTEWATER, INC.
WILLISTOWN TOWNSHIP
Section 1329 Application Standard Data Requests

Miscellaneous

21. Are there any outstanding compliance issues that the Seller's system has pending with the US Environmental Protection Agency. If yes, provide the following information:
- a. Identify the compliance issue(s);
 - b. Provide an estimated date of compliance;
 - c. Explain Buyer's anticipated or actual plan for remediation;
 - d. Provide Buyer's estimated costs for remediation; and
 - e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

Response: Please see the responses to SDR-20. The PA DEP holds primacy regulatory authority in Pennsylvania.